

BUSH'S NEW NUKES • SHARON'S LESSONS IN TERROR

# In These Times

INDEPENDENT NEWS & VIEWS

April 15, 2002

## EXPLOSIVE REVELATION\$

THE WORLD'S BIGGEST BANKS AND MULTINATIONAL CORPORATIONS  
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## Editorial

# Steeling Home

In July 2000, the Commerce Department concluded that a "thirty-year history of repeated unfair trade actions" had greatly distorted the global steel market. If President Clinton had acted forcefully then, he might have forestalled some 25 steel-company bankruptcies and the loss of both thousands of jobs and health care coverage for more than 100,000 steelworker family members. He also might have kept a Democrat in the White House by helping Al Gore win traditionally Democratic, steel-dependent West Virginia.

Now George W. Bush has imposed tariffs of up to 30 percent on imported steel for the next three years, mostly to improve Republican electoral prospects and to strengthen his hand in pushing a broader free trade agenda, including "fast track" trade promotion authority. But he still has done more for steelworkers than Clinton, who claimed to represent working people and relied heavily on union support.

Despite foreign protests, Bush's actions were legitimate, if inadequate. The WTO may still rule against the United States, but there is ample evidence of dumping and subsidies over a long period of time that harmed the U.S. steel industry. Also, although the industry could benefit from better management and consolidation of some small companies, steel has undergone wrenching restructuring and heavy investment over two decades that have made it as efficient as the other leading national industries.

The Europeans are upset in part because they fear, with good reason, that there will be increased efforts to dump steel in their market, which they plan to block. But it is time for countries to recognize that the global market in steel doesn't fit the textbook model, and there's no reason to insist that it should, especially since countries still quite rightly see steel production as a crucial component of both advanced manufacturing economies and economies that are struggling to develop.

In this case, reasonable, managed competition can push producers to invest and innovate better than cutthroat practices will. The tariffs may give new impetus to global talks about reducing the global capacity to produce steel, which now far

outstrips demand. Such political negotiations aren't easy, and should involve both the labor movement and representatives of developing countries, but they may yield more orderly and ultimately fair adjustment than leaving decisions to an irrational marketplace.

However, the political debate should go beyond how to reduce a steel glut. In a world where human needs were better met and global economic growth were stronger and more equitable, there might be a need for all the steel the world can now make. But volatile global capital markets—which led to the Asian collapse that triggered the current crisis—and IMF austerity policies drain poor countries to pay foreign debts rather than build new water systems, sewers or mass transit that rely on steel. Ultimately, the steel crisis can't be separated from broader failures of global economic policy.

In the United States, the steel crisis also reflects the failure of health care policy. As the industry restructured, hundreds of thousands of workers were displaced. In other countries, a national health care system would have taken care of them. In the United States, if it hadn't been for their union, the families of these steelworkers would have had to shoulder the burden of

## The steel crisis can't be separated from broader failures of global economic policy.

adjustment themselves, often by going without adequate—or any—health insurance.

Now those corporate health insurance obligations make it economically more difficult for the industry to consolidate, which nearly everyone, including the Steelworkers union, sees as essential for future survival. But Bush did nothing to take care of these displaced workers and consequently failed to facilitate an orderly merger process. Now Congress will have to act by using money from the tariffs and the companies to pay the cost of health care for workers in any companies that are bought or have already folded.

It would be better if national health insurance covered all workers, but the country's flawed health care policies combined with unfair trade have already cost steel industry workers dearly. They need—and deserve—help now.

—David Moberg

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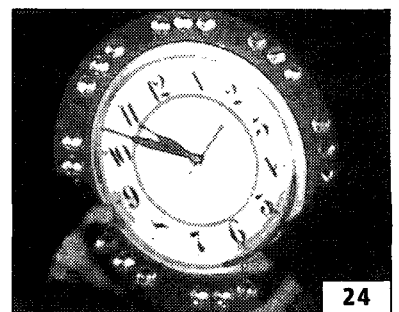
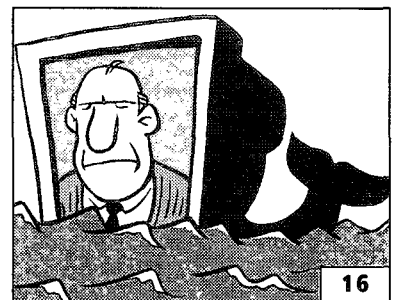
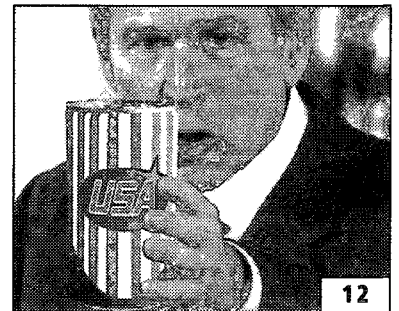
MUSIC: Gorillaz in our midst.

## 30 Dangerous Lives

By Ana Carrigan

Colombia's generals finally have the war they want, but their country's people pay the price.

Cover design: Seamus Holman



## Nothing but Nonviolence

David Graeber claims, without presenting any evidence, that unions and NGOs stayed away from the demonstrations in New York during the recent World Economic Forum because they were scared off by 9/11 patriotism and the police ("Reinventing Democracy," March 18). There is another possibility: Maybe they are tired of the violence and property destruction by some participants in the demonstrations of the past few years, who thereby discredit all egalitarians and alienate the overwhelming majority of the American people.

Graeber says that those who did demonstrate in New York were well behaved, but the last two sentences of his article seem to announce that their commitment to nonviolence was temporary and tactical, apparently predicated on the idea that the police have to play fair or else physical attacks of one sort or another are justified.

If so, perhaps those who believe that a complete commitment to strategic nonviolence is the only non-electoral strategy consistent with democracy and egalitarian values should stay away from all future "actions" that include those who believe in violence or destruction, whether offensively or defensively. Or else nonviolent egalitarians need to find the energy to more vigorously criticize and control the movement-destroying behavior of those violent and destructive activists who have ruined every new initiative for the past 37 years.

It is sad enough that so many egalitarians cling to one or another third party despite disastrous results, but subscribing to anything less than strategic nonviolence is far worse.

**G. William Domhoff**  
Santa Cruz, California

**David Graeber replies:** Another World Is Possible organized a permitted event that we made clear would be strictly nonviolent and involve no property destruction. We did not force anyone to sign pledges, we had no marshals or "peace cops"—which the NGOs were indeed demanding. We abided by the basic anarchist principle that says you can't force people to act responsibly, but, if you make it clear to them that you are treating them as adults capable of making responsible choices, then they generally will do so. That is precisely what happened; everyone was respectful of the city, despite endless police provocation.

*Domhoff is right, in a sense. Anarchists tend to believe strongly in nonviolence, but they take that to mean respect for life and unwillingness to harm others. How many people are there in America who would really argue that it's morally wrong to break a piece of glass that doesn't belong to you—in a way that does not cause human suffering—if that action can seriously further the cause of human freedom in some way?*

*The debate is not about right or wrong. It's about effectiveness, and, yes, that is a tactical question. The movement that has created new hopes and a sense of political possibility for millions of people across the world in the past several years is a movement based on principles of direct action. Direct action means ordinary people entering into history for themselves, rather than pursuing the strategy of begging politicians to be a little nicer. Considering the phenomenal success and growth of the "globalization" movement and that movement's ability to transform the very terms of debate in the world—it's bizarre to call this "movement destroying."*

*It's those who wish to co-opt this energy and to plunge back into the same old passive strategies that have failed time and again—obeying orders, however arbitrary, begging for a place at the table of power—who threaten to kill this movement.*

## Right or Wrong

Doug Ireland's generally excellent and informative article is quite weak when discussing France's next presidential election ("Europe's Right Turn," March 18). The arti-

cle inaccurately suggests that the Citizens Movement is of the right. In fact, the Citizens Movement ran as a member party of the New European Left Forum in the last election for European Parliament, a slate well to the left of the Party for European Socialism (led by Britain's Labor and Germany's SPD parties) that features mainly Communist and ex-Communist political parties.

Ireland merely hints at the fact by noting that the party's leader—Jean-Pierre Chevènement—was once a minister in a Socialist government. In fact, if the Citizens Movement wins the presidency, it would be the most left-wing leadership in Western Europe—although one with arguably offensive views on immigration, integration and federal Europe.

**Alexander Madorsky**  
Shaker Heights, Ohio

**Doug Ireland replies:** Chevènement's presidential candidacy, as distinct from the MDC, has been marked by a significant shift to the right on his part that has been widely commented on in the French press. He's also allied with a host of figures including the monarchist, right-wing, anti-Semitic Catholics of Action Française, former supporters of the immigrant-baiting, ex-conservative Interior Minister Charles Pasqua, transfuges from the ultra-conservative RPF, the right-wing populist Pierre Poujade and more. In Chevènement's presidential coalition, which has a separate structure, the MDC is only one, rather small component.

**Terry LaBan**





## Dust and Bones

### War crimes tribunal for Cambodia proves elusive

By Bill Myers

PHNOM PENH, CAMBODIA—As a boy, Phann Ana found the bodies of his uncle and father where the Khmer Rouge had left them: under a compost pile near his family's home. "The bodies were badly decomposed—just bones, really," says Phann Ana, a 32-year-old writer. "But my mother recognized my father by his pants, and my aunt recognized my uncle by his lighter."

The family scooped up the mounds of splintered bones and tattered rags and cremated them. In their Buddhist faith, the ceremony, long delayed, brought spiritual peace. But it did not bring justice. Phann Ana—and millions of Cambodians—are still waiting for that. "It will not happen," he says of efforts to bring the Khmer Rouge leadership to trial. "I don't think so."

The long-promised tribunal to try those responsible for one of the 20th century's worst human rights disasters now seems as far away as ever.

The Khmer Rouge turned Cambodia into its private labor camp in 1975. For nearly four years, the "Angka"—the organization—played out its anti-modern, xenophobic, utopian ideals on Cambodian people. An estimated 1.7 million died from overwork, disease, starvation or execution.

Since 1997, efforts to create a tribunal to bring the Khmer Rouge leaders to justice have stalled as Cambodia slipped back into civil war or quarreled with the United Nations over sovereignty and the selection of defendants.

In the meantime, all but one of the remaining Khmer Rouge leadership lives, in the words of Peter Leuprecht, the top U.N. human rights official, "peacefully and prosperously" in the Cambodian countryside.

It is a long way from last August, when both sides were finally ready to start negotiations and convene an unprecedented tribunal of Cambodian and international judges to prosecute those "most responsible" for the "most serious" atrocities in the



IN THESE TIMES PHOTO ARCHIVES

Many Cambodians seek a military tribunal for the war crimes of Pol Pot's Khmer Rouge, seen here shortly after capture by Vietnamese troops in 1979.

Khmer Rouge era. Back then, even skeptics like Phann Ana were allowing words like "when" to replace "if" in their vocabulary. Now, even as the United States and other countries pressure the United Nations to come back to the negotiating table, only recriminations remain. "It's clear it was never a priority for either side," says Youk Chhang, director of the Documentation Center of Cambodia.

Youk Chhang, a Cambodian-American who lost most of his family to the Khmer Rouge and now gathers evidence against them, is trying—like many—to remain constructive. "Now both sides have to make it their first priority," he says.

Each side has claimed they are still open to renegotiation. For now, Leuprecht (who is not involved in the negotiations) said at a March 8 news conference, "I do encourage both sides to walk through the open door."

That is going to be tough. The United Nations pulled out of negotiations with Cambodia on February 8, saying its government could not guarantee a fair trial. Within days of the announcement, Ke Pauk, a former Khmer Rouge zone commander believed to be responsible for tens of thousands of deaths, died. Left without any time frame for negotiations, Cambodian officials in late February entered new charges against Ta Mok, the one-legged former Khmer Rouge

zone commander known as "The Butcher," to prevent his pretrial detention term from expiring.

Distrust between the United Nations and Cambodia runs deep. After the Vietnamese helped topple the Khmer Rouge in 1979, the world body, under U.S. pressure, refused to recognize the Vietnamese-installed government and instead gave Cambodia's seat to the Khmer Rouge.

U.N. workers who flocked to Cambodia in the early '90s flooded the country with cash, soldiers, doctors, lawyers and teachers, but also helped nurture its brothels and sky-high AIDS rate. And some officials of the many U.N. agencies here in Phnom Penh have embarrassed the organization. One human rights chief had to be fired after she suggested Cambodians were biologically prone to violence.

Even physically, the challenge of getting the tribunal back on track is enormous. The U.N. legal team, which had long accused the Cambodians of stalling, did not even come to the country to begin its negotiations. That rankled many observers. "The fault lies with the U.N.," one Western diplomat says. "The U.N. were invited to come, and they didn't come."

Whatever the outcome, a lesson has been driven home to many Cambodians. "The courts do not belong to the people," Phann Ana says. "There is no justice." ■

## No Fun or Games

### Chinese sweatshops churn out toys for the United States

By John Raymond

NEW YORK—At a protest outside the Millennium Hotel in February, Li Qiang, executive director of China Labor Watch, described the conditions he encountered during 10 years of working in China's toy factories. At 17, he took the first of a series of factory jobs packing toys, where he earned 13 cents an hour working mandatory shifts, 7 days a week, from 13 to 19 hours a day. He lived in a tiny dormitory with 20 other workers; the only bathroom was outside, "a long walk away." He was, he says, "exhausted to the point of death."

The protest coincided with the Toy Industry Association's launch of the annual American International Toy Fair, a week-long event held here in February, and the release of a new report on sweat-

shops in China from the National Labor Committee (NLC). The report contains interviews with workers from 19 toy factories in China's southern Guangdong province, where toys for manufacturers, retailers and licensees are produced. China provides foreign companies with a tax-free zone and a labor pool drawn from millions of migrants from northern China.

Li said that in one job, where he packed toys for Wal-Mart, a supervisor announced U.S. auditors would soon be making an inspection. "We were told how to behave and what to say," Li said. The day the auditors appeared, the work shift was cut to eight hours, and a karaoke was set up. Workers who spoke up about abuses in the factories were fired or jailed.

There are an estimated 3 million toy factory workers in southern China, where more than 50 percent of toys bought in the United States are made. China's labor laws mandate a five-day, 40-hour work week and overtime wages. The legal work week is capped at 49 hours, and the laws include benefits like the right to organize. The problem is, China doesn't enforce them.

The NLC found that U.S. manufacturers Mattel, Hasbro, Toys "R" Us, Wal-Mart, McDonald's and Disney all work with companies and factories that extensively violate these laws. "We don't want to take jobs out of China," says Charles Kernaghan, executive director of the NLC. "We just want these companies to clean up their act."

At a press briefing, toy industry leaders questioned about the report were quick to denounce it. Neil Friedman, president of Mattel's Fisher-Price brand, said, "I go into our factories that we utilize at Mattel, personally, and look at these factories and see how they're run. And they're run well. They stand up to all the labor standards in that country."

Echoing Friedman, John Eyler, CEO of Toys "R" Us, said, "We're the industry leaders on the retail side in terms of making sure the safety standards, the child labor standards—all of those aspects are rigorously in place, and we monitor them."

Kernaghan responds: "China is favored by these companies so they can hide production. It's convenient for them to have these very young workers who don't know the labor laws. The companies are milking that vulnerability, that poverty, and China's lack of implementation of its labor laws."

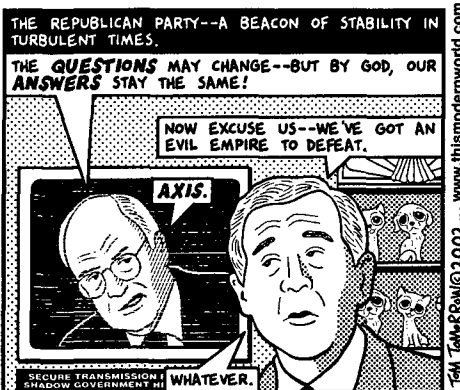
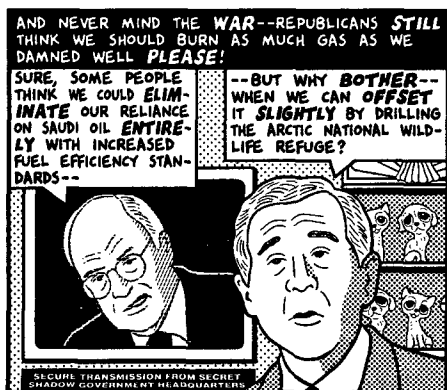
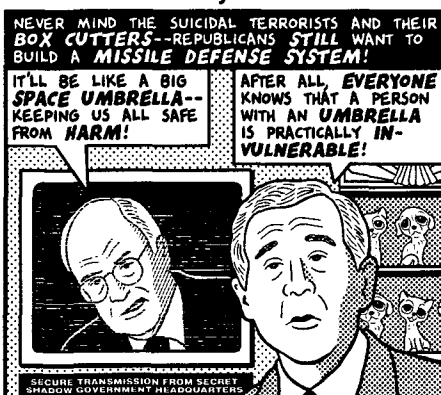
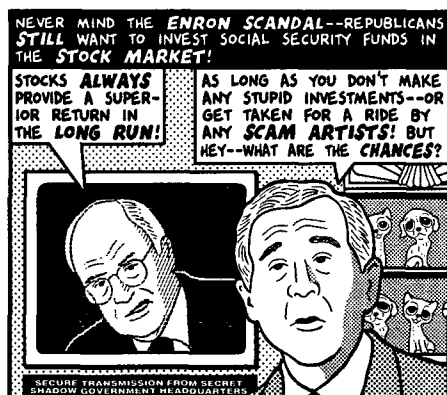
The NLC report calls upon companies to release the names and locations of their suppliers in China and allow independent monitoring groups into factories to conduct health and safety training. "Full public disclosure of factory names and addresses drags these sweatshops out into the light of day where it is harder to pay starvation wages and violate worker rights," the report states.

In response to pressure from labor groups, the International Council of Toy Industries adopted a code of business practices in 1995 that encourages member companies to comply with certain minimum labor and safety standards. The Toy Industry Association also created Toy Factory Audits Limited late last year. The organization will audit toy factories, on a voluntary basis, to ensure their compliance with the code.

Kernaghan and other activists say self-directed monitoring is not enough. "There is no independent access to these factories," he says. "Period. Zero. This is an auditing group created, paid for and sponsored by the industry. It's the fox guarding the henhouse." ■

## THIS MODERN WORLD

by TOM TOMORROW





## Fat King Coal

### Polluters rewrite the Clean Water Act

By Ken Ward Jr.

CHARLESTON, WEST VIRGINIA—As early as April, the Bush administration plans to make it legal for the coal industry to bury hundreds of miles of aboveground Appalachian streams with waste rock and dirt from strip mines.

With a simple change in federal Clean Water Act regulations, the administration will make legal what has been illegal for 25 years. "There is nothing more inconsistent with the purpose of the Clean Water Act than permitting waters to be permanently buried under tons of industrial wastes," says Joan Mulhern, senior lawyer for Earthjustice, a Washington-based environmental group. "Yet that is exactly what this rule would allow."

In 1977, the Army Corps of Engineers defined the "fill material" that could be

dumped into streams under the Clean Water Act. The law allows the Corps to authorize the burial of streams and wetlands through "dredge-and-fill" permits. That authority was meant to be very limited. In the 1977 rules, fill material was meant to exclude "any pollutant discharged into the water primarily to dispose of waste." But since the rules were written, the Corps has used dredge-and-fill permits to approve hundreds of miles of coal industry waste piles.

In mountaintop-removal mining, coal operators explode entire hilltops to uncover valuable, low-sulfur coal reserves. Huge dozers and shovels shove waste rock and earth left over from the mining into nearby valleys, burying streams. These waste piles, called valley fills, grew dramatically in size and number as strip mining mechanized.

A 1998 report by the Fish and Wildlife Service found 470 miles of valley fills in West Virginia and 355 miles in Kentucky. In 2000 alone, the Corps approved permits for 85 miles of streams in southern West Virginia and eastern Kentucky, according to agency records. All of these fills were illegal, according to a series of court rulings.

In 1989, a U.S. District Court ruled that valley fills are made of waste, which isn't fill material. The 4th U.S. Circuit Court of Appeals upheld that decision in 1991. But injunctions to block new fills were not issued by the courts.

In 1999, the West Virginia Highlands Conservancy sued the Corps over its illegal permits, and received a similar ruling from another U.S. District Court. The Highlands Conservancy settled its claims, however, dropping the argument in exchange for promises of stricter permit reviews and a detailed study of mountaintop removal's environmental impacts. Again, the court did not issue an injunction.

The Clinton administration moved quickly to help the coal industry avoid any damage from the 1999 decision. In April 2000, the Environmental Protection Agency and the Corps proposed to legalize valley fills. The Clinton administration never finalized the plan. In October 2001, the Bush administration said it would publish a final rule in December. That never happened either.

Last August, another environmental group, Kentuckians for the Common-

### Big Brother Is Watching

In all the hoopla over the Office of Strategic Information, Defense Secretary Donald Rumsfeld's abruptly cancelled exercise in foreign propaganda, few noted the return in February of yet another Iran-Contra figure to the Bush administration—John M. Poindexter, head of the newly created Information Awareness Office, part of the Defense Advanced Research Projects Agency (DARPA).

Poindexter's wrongdoing in the Iran-Contra affair consisted, in part, of destroying more than 5,000 White House e-mails with the help of Lt. Col. Oliver North after the scandal broke. The two forgot about the White House backup tapes, however, and in 1990 Poindexter was convicted of conspiracy, obstruction of justice and destruction of evidence. (He was pardoned a year later.)

It seems Poindexter has gotten a bit smarter about computers. Poindexter comes to the Defense Department from Syntek Inc., a military and intelligence-agency consulting firm in Virginia, where as vice president he helped develop Genoa, an "intelligence mining, information harvesting" program designed to clandestinely monitor and extract meaningful information from large-scale electronic databases.

"Data mining" techniques are on the cutting edge of computer science, used primarily for more mundane applications like "intelligent," automated Web-surfing. The Information Awareness Office, however, plans to develop the technology for covert use by the military and intelligence agencies. DARPA has received sharply

increased funding as part of the Bush administration's fiscal year 2003 federal budget.

Poindexter's new brainchild will join the government's already powerful arsenal of domestic electronic surveillance weapons—weapons such as the FBI's Carnivore, an e-mail and electronic communication surveillance program given new life by recently weakened federal wiretap laws.

### Toward Election Reform

On March 5, voters in San Francisco approved instant runoff voting in citywide elections by wide margins. That same week, Vermonters at 51 town meetings overwhelmingly endorsed a similar measure pending in the state legislature for statewide elections. With several other victories in cities in Texas and California, instant runoff voting may be the electoral reform of the future.

The system allows voters to rank their choices according to preference, indicating first choice, second choice, and so on. If no candidate in an election receives a majority of the first-choice votes, the least popular candidate is eliminated. That candidate's second-choice votes are then counted. If still no one candidate has a majority, the process is repeated until one candidate has a clear majority.

Instant runoff voting is now used in Australia, Great Britain and Ireland, and legislation is pending in a dozen U.S. state legislatures. The method means voters can "vote their hopes, not their fears," says the Green Party.

—Kristie Reilly



wealth, filed a new challenge to the Corps in the same West Virginia U.S. District Court that heard the 1999 case. On February 7, lawyers for the Kentucky group asked the court for an injunction to block the Corps from approving any new valley fills.

Bush administration officials quickly announced that they planned to finalize the rule change sometime in April. "We want to protect the environment but also be sure that we can continue with the production of coal," says Mike Parker, whom Bush appointed to head the Corps.

Today, the environmental impact study is more than a year overdue, and the Corps has forgotten its promises to more closely review valley fill permit applications. "This issue is not going away," says Jim Hecker, an attorney with Trial Lawyers for Public Justice, which represents the Kentucky citizens. "Coal field residents in Appalachia will continue to seek to enforce the law and prevent the

destruction of their land, streams and quality of life."

Earthjustice and other groups say that people like Parker are part of the problem. Parker is a former lobbyist for CSX Transportation, a railroad that hauls much of the coal produced in Appalachia. (In an unrelated dispute with the White House over the Corps' budget, Parker was forced to resign on March 6.) The groups also point to J. Steven Griles, a former National Mining Association lobbyist who is deputy secretary of the Interior Department, and a host of other former industry lawyers and lobbyists appointed by Bush to regulatory agencies.

"The Bush administration's pockets are lined with coal money," says Maria Weidner, policy advocate for Earthjustice. "The political appointees key to deciding this issue built careers as lobbyists and executives for coal interests. The stage is set for King Coal to have its way with the Clean Water Act over the public's protests." ■

## Indian Rights

American tribes take their case against Washington to international courts

By Paul Tolme

American Indians are looking abroad—to international human rights tribunals—in their quest to win back ancestral lands. The Western Shoshone of Nevada are leading this effort to seek international justice, having now argued before both the Inter-American Commission on Human Rights and a U.N. committee on racial discrimination. Their initial success has captivated Indian Country. "This opens up a whole new avenue of legal discourse for tribes," says attorney Jim Anaya, who has represented the Western Shoshone.

The most notable development is the issuance of a confidential report from the

### Harsh Toke! 3.9

In March, thirtysomething go-getter Chris Hill was named one of the 500 Businessman of 2001 by the National Republican Congressional Committee. According to a report by the *News-Journal* wire service, that put the Florida manufacturer in the running for Republican of the Year.

Problem is, Hill is a drug-paraphernalia kingpin. In fact, he faces up to 20 years in federal prison after his marijuana pipes were discovered in an Iowa raid. GOP officials were understandably surprised by the news, and they promise to strip Hill of his dignities if the charges stick. But Hill is showing himself to be a party man through and through. "I'm not going to make pipes again," he complained. "I'm embarrassed that my government has put me in this position. They've lumped me in with some liberal longhaired dopers. That's not the kind of crowd I run with."

### Naming Rights 3.1

She's big, she's hard, she really gets around, and she's often full of murky goo. She's *Condoleezza Rice*. Or, she was until her corporate owners decided she'd be better off traveling under the moniker *Aftair*.

*Voyager*. The *San Francisco Chronicle* reports that Chevron honchos judged it a little unseemly—with all the recent hubbub about energy boodling—to have one of their oil tankers named after a Bush administration *consigliere*. Hence the switch.

### Make a Joyful Noise 4.6

At times, ours seems not so much an empire as a backwoods freak show. John Ashcroft, our snake-handling Draco, has been known to anoint himself with Mazola chrism, in the Old Testament fashion, when sworn into office. Now, according to a report in the *Guardian*, he has taken to leading hymn sessions at office meetings, where Department of Justice lawyers are encouraged to join in renditions of Ashcroft's own compositions. One such, "Let the Eagle Soar"—in which our nation's mascot is shown to soar "like she's never soared before, from rocky coast to golden shore"—has particularly rankled staffers handicapped with taste and sensibility. "Have you heard the song?" a department lawyer anonymously complained. "It really sucks."

### Return of Tricky Dick? 5.1

Editors of the *Quaker Campus*, the school newspaper of Whittier College in California, are outraged to discover that their office was bugged. A maintenance man found the electronic eavesdropping device behind the couch around which editorial meetings customarily take place. There are no suspects or leads, the paper reports, nor can anybody think of even a plausible motive. But the device is sophisticated, and the way it was placed suggests that a professional was involved. Surprisingly, no one has ventured the obvious paranormal explanation: a visit by the specter of Whittier's most famous alumnus—Dick Nixon, class of 1934.



By Dave Mulcahey





Inter-American Commission to the Bush administration indicating the United States has been found in violation of the tribe's rights. If the government fails to rectify concerns, the commission could vote to release the report to the public, which could happen at the commission's next scheduled meeting in May.

Such a finding on behalf of an American Indian tribe would be a first. "It's a big deal," says Deborah Schaaf of the Indian Law Resource Center.

The case involves Carrie and Mary Dann, two Western Shoshone elders. The Danns have been fined more than \$1.2 million for grazing cattle on lands adjacent to their ranch in Crescent Valley. Federal officials have also charged the Danns with trespassing and, in the early '90s, seized some of the clan's horses, which were auctioned off. The Danns argue the lands they have "occupied since time immemorial" were recognized as Western Shoshone territory by the 1863 Treaty of Ruby Valley.

Government officials counter that the Western Shoshone lost the land to the encroachment of settlers and were compensated through a trust fund established in 1972. The Danns and other Western Shoshone have refused to

accept the money, which has grown to more than \$130 million. They fought a lengthy legal battle but eventually lost in the Supreme Court.

Their legal options exhausted at home, in 1993 the Danns brought their case to the Inter-American Commission, a body of the Organization of American States that hears human rights cases in the hemisphere. In October, as the nation focused on terrorism, the commission released its little-noticed report to the Bush administration.

Now, the Shoshone face a new threat. A bill introduced by Sen. Harry Reid (D-Nevada) scheduled to go before the Senate Committee on Indian Affairs on March 21 would force the disbursement of the 1972 trust fund. Western Shoshone say the bill is a back-door way to extinguish their land rights, and they still refuse to accept the funds.

Indian rights leaders acknowledge the Inter-American Commission has no enforcement power, but contend it would be diplomatically damaging for the government to snub or ignore the tribunal. All agree that other tribes fighting for land, water and fishing rights must take advantage of international human rights

law. "Whatever justice they find internationally can make a difference here," says University of Colorado law professor Charles Wilkinson.

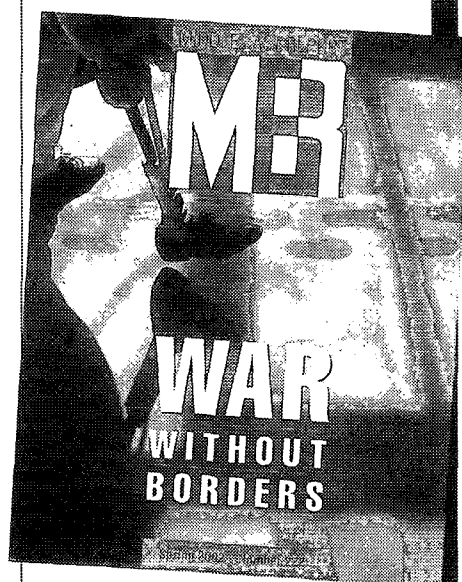
The increase in such suits is a result of the fact that many law schools now have programs exploring specific ways disenfranchised peoples can use international human rights law to seek justice, lawyers say. Says John Echohawk of the Native American Rights Fund, "We still have a long way to go, but we are making progress." ■

## International Women's Day



Marchers observed International Women's Day in Dhaka, Bangladesh on March 8, calling for more rights, social security and protection against crimes on women. Bangladesh has proposed laws to control the sharply escalating use of corrosive acid to disfigure and sometimes kill young women. The vast majority of such attacks are carried out by jilted suitors, boyfriends or husbands.

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# Intimidation Tactics

By Frederick Clarkson

Neal Horsley precisely recalls his reaction to the 1998 murder of abortion provider Dr. Barnett Slepian. "See, I told ya," he recalled saying at the time. "There's another one. How many more is it gonna take?"

Horsley, 57, is one of the nation's most notorious anti-abortion militants. Best known for his infamous Web site, [www.christiangallery.com](http://www.christiangallery.com), with its dripping-blood graphics, Horsley is the creator of the Nuremberg Files—a list of people he thinks should be put on trial come the Christian religious revolution. He maintains the site from his home in the comfortable suburb of Carrollton, outside Atlanta, and provoked international outrage when Slepian's name appeared with a black line through it within hours of his death.

Horsley will be much in the news again this spring. The 9th U.S. Circuit Court of Appeals is expected to issue a decision in the landmark case *Planned Parenthood v. American Coalition of Life Activists*, and the Nuremberg Files figure prominently in the suit.

The case centers around the American Coalition of Life Activists'

(ACLA) 1995 "deadly dozen" campaign, which featured abortion providers on Old West-style "wanted" posters and included the doctors' photos as well as such personal information as their home addresses and their children's names and schools. Similar posters had appeared preceding the murders of two abortion providers in Pensacola, Florida. Horsley used the deadly dozen data as the basis for the Nuremberg Files.

In a pivotal moment in the original Portland, Oregon trial, ACLA leader Andrew Burnett conceded, "If I was an abortionist ... I would be afraid."

The admission was enough to convince the jury of Planned Parenthood's charges against ACLA of illegal threats and intimidation. The federal jury found for the plaintiffs in 1999, awarding over \$100 million in damages. Federal Judge Robert Jones prohibited further dissemination of the wanted posters and ordered Horsley to remove them from his site. Jones declared the campaign "a blatant and illegal communication of true threats to kill, assault or do bodily harm."

Meanwhile, Horsley and cohorts from the now-defunct ACLA are still in the intimidation business. Most of the gang has morphed into the aboveground component of the violent Army of God, featured last year in the HBO documentary *Soldiers in the Army of God*.

Thousands of photographs and several videos of clinic workers, patients and clinic defenders were posted on the site last year as part of Horsley's "abortion cam" project. Such psychological warfare is but one high-profile dimension in what is now a 25-year-long war of attrition against abortion providers. Part of the intended result has been high staff turnover rates at clinics and the retirement of many abortion providers.

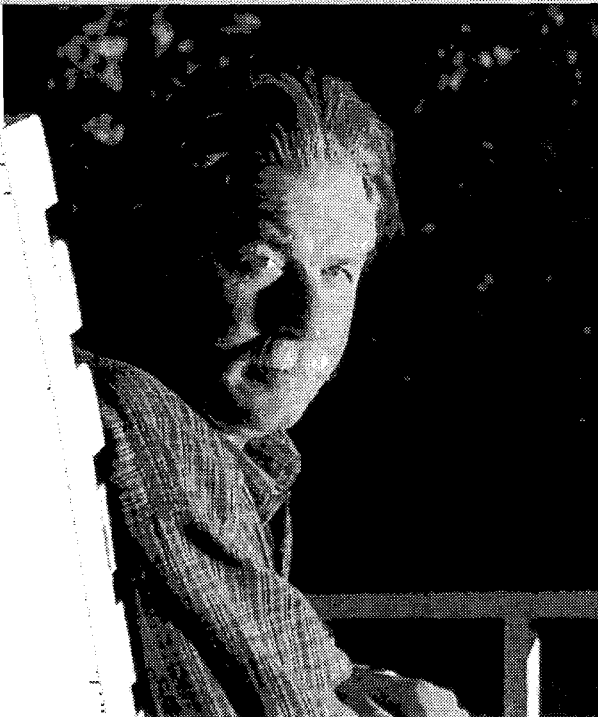
Horsley entered the news again last November, when he claimed Clayton Waagner, one of the FBI's 10 Most Wanted fugitives and self-described antiabortion "terrorist," had invaded his home and forced him to tape Waagner's confession to having sent, in the name of the Army of God, some 550 anthrax threats to abortion clinics and abortion rights groups. Horsley posted Waagner's threats to kill 42 unnamed clinic workers on his Web site, but insisted that this did not constitute "aiding and abetting terrorism." Three weeks later, Waagner was taken into federal custody by U.S. Marshals outside a Kinko's in Ohio.

Horsley's theocratic vision is also insurrectionist. He declares the U.S. government has "become a godless and apostate body." Unsurprisingly, many recent and current government officials are now on Horsley's Nuremberg list: Supreme Court justices, members of Congress, police officers, Bill Clinton and even President George W. Bush (whom he says made a "covenant with the devil" for allowing federal funding for stem-cell research).

He has called for a secessionist movement, and last August delivered the keynote address at a convention of the neo-confederate Southern Party. He argues an elected Christian state government could seize federal nuclear weapons to blackmail the nation.

If Planned Parenthood ultimately prevails in the Court of Appeals, Horsley's site will probably change little. The legal precedent will likely allow others to sue in federal court if they face similar threats, however, and may have some effect in toning down the violent rhetoric of the far right. All or parts of Horsley's site have been banned from dozens of Internet service providers, citing terms-of-service violations; Horsley now runs the site on his own. His next plan, he says, is to expand the "abortion cam" project internationally.

**Frederick Clarkson** is the author of *Eternal Hostility: The Struggle Between Theocracy and Democracy* (Common Courage Press).





# Sharon's Lessons in Terror

By Neve Gordon

It was on March 4, the day Israeli security forces killed 17 Palestinians—five of them children—that Prime Minister Ariel Sharon called upon security forces to “increase the number of Palestinian casualties” in order to “teach them a lesson.” One of the adult fatalities was a 55-year-old woman from Jenin; another was Dr. Sliman Khalil, who was slain while evacuating the injured from a nearby refugee camp. “We must first strike the Palestinians a heavy blow before we can begin negotiating peace,” Sharon said.

Declarations of this kind are uncommon in Israel, if only because leaders rarely say, with such brutal honesty, what they intend to do. Sharon's call for the escalation of violence should also be understood within the larger framework of President George W. Bush's “war on terrorism,” a war that has destroyed all sense of shame. Bush, Sharon understands, has changed the rules of the game.

But the war on terrorism has not only altered political discourse; it has also dramatically increased the violence within Israel/Palestine. The evening before the March 4 killings, I went to a peace rally to protest the Israeli military infiltration into two refugee camps, where an additional 24 Palestinians had been shot dead. As I was walking from my car toward the prime minister's house, the sound of a loud explosion reverberated through the Jerusalem night.

The ensuing echo of ambulance sirens left little doubt about what had happened. An hour later, standing with a peace sign in my hand, my mother called my cell phone to check whether I was all right; she said a suicide bomber had exploded himself outside a synagogue, killing 10 guests who had been celebrating a bar mitzvah inside.

It is within this macabre context that one must interpret Sharon's decision to employ more force. The Israeli premier is, to be sure, not mad. Yet he realizes that in a fortnight about 200 Israelis and Palestinians have been killed, joining more than 1,000 people—many of them children—who have died since the second *intifada* erupted in September 2000. The Israeli invasion of

Tul-Karem, Bethlehem, Ramallah and an additional five refugee camps in early March is its largest military operation since the 1982 invasion of Lebanon.

But why did Sharon want to escalate the violence? The answer has to do with control and domination, the underlying objectives of the war on terrorism. To put it differently, the annihilation of terrorism is not the ultimate goal of either Bush's or Sharon's wars.

Sharon's true objective is a “greater Israel.” 1948 appears to be his historical reference point. During that war, the fledgling Zionist government decided to ensure a Jewish majority within what would become Israel. Hundreds of thousands of Palestinians either fled or were evicted by force from their homes, creating the Palestinian refugee crisis. The Palestinians refer to Israel's War of Independence as *Nakbah*, or “the catastrophe.”

Sharon realizes the only way to accomplish his expansionist aspirations is through all-out war. If enough Jewish blood is shed, he might gain the legitimacy needed to embark on such a campaign, and he will then have the opportunity to expel hundreds of thousands of Palestinians from their land. This measure is not without public support. Many of the 50,000 right-wing protesters who gathered at Rabin Square on March 11 carried banners calling for the “transfer” of Palestinians from Israel.

Preparations for the current escalation have been long in the making. Immediately following September 11, Sharon, sensing the public mood in the United States, drew a parallel between Arafat and bin Laden. The Israeli-Palestinian conflict, he suggested, is a war on terrorism—which, according to Bush's new rules, provides a perfect excuse for perpetrating the most pernicious acts.

Ironically, it is the other war on terrorism—the one Bush is waging—that may very well obstruct Sharon's plans, at least for the time being.


Gen. Anthony Zinni, U.S. envoy to the Middle East, arrived in the region March 14, for diplomatic purposes. His mission, however, has little to do with U.S. shock at the current level of violence. Zinni's job, it seems, is to smooth the way for Vice President Dick Cheney, who is also in the Middle East to muster Arab support for Bush's impending attack against Iraq. The administration realizes that with Israel bombing Arafat's headquarters and killing scores of Palestinians each day, there is little chance Cheney will receive the backing he wants from Arab countries, who have almost unanimously spoken out against Israeli aggression.

Bush's megalomania might bring some calm to the area—but this calm, even if it does come, will last only until he launches the attack against Iraq. At which point, all hell will probably break loose.

Neve Gordon teaches politics at Ben-Gurion University and can be reached at [ngordon@bgumail.bgu.ac.il](mailto:ngordon@bgumail.bgu.ac.il).

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# Bad Posture

## Bush's new nukes and far-flung bases take the war into a dangerous new phase

By Doug Ireland

**G**eorge W. Bush and his administration are more dangerous than anyone could possibly have imagined before he took office. This is the conclusion correctly drawn by most of the world's democracies after the tardy revelations about the Pentagon's Nuclear Posture Review—secretly approved in January but only recently leaked to the *Los Angeles Times* by frightened congressional sources—which reverses the long-standing unofficial U.S. doctrine of “no first use” of nuclear weapons. “It’s a cause for serious fear,” editorialized *Le Monde*, while London’s largest-circulation daily, the *Mirror*, bannered the headline, “Let’s Nuke ‘Em All.”

The new policy contemplates the use of nuclear weapons in circumstances never before approved, including the failure of conventional weapons to destroy military targets, in response to chemical or biological attacks, or in “the event of surprising military developments”—a perilously open-ended definition. Even if one sets aside the ethical problems posed by the new doctrine, the move is pure folly that accelerates the dangers of nuclear proliferation.

The doctrine calls for developing a new generation of so-called tactical mini-nukes—which would have to be tested, of course, violating nuclear testing bans signed by the United States. But Bush wouldn’t have to wait: The “low-yield” B61-11 nuclear bomb, designed to penetrate underground bunkers, is already in the U.S. arsenal and has been deployed in Europe since 1997. (Of course, “mini-nuke” is a highly misleading vocabulary: Hitting Saddam Hussein’s presidential bunker in Baghdad with the B61-11, for example, “could cause upwards of 20,000 deaths,” according to the Physicians for Social Responsibility.)

At the sub-cabinet level, where real decisions get made and options for political leaders are skewed one way or another, the Bush administration is crammed with proponents of the use of tactical nukes. They include: Stephen Hadley, Bush’s deputy national security adviser; Robert Joseph, a member of the National Security Council; Stephen Cambone, now a senior Pentagon policy planner; and William Schneider, another Bush defense counselor. These four co-



The Doomsday Clock moves closer to midnight.

authored a report published last year by the National Institute for Public Policy—a conservative think tank funded in part by the military-industrial conglomerates—declaring that “nuclear weapons can ... be used in counterforce attacks that are intended to neutralize enemy military capabilities.”

No less than the head of the U.S. Defense Threat Reduction Agency, Stephen Younger—responsible for “counter-proliferation” programs—expressed his enthusiasm for small, precision-guided, low-yield nukes in a paper he wrote last year titled “Nuclear Weapons in the 21st Century.” And Secretary of State Colin Powell, whose flacks have been assiduously

portraying him to the gullible Washington press corps as dovish, called the Nuclear Posture Review “prudent military planning.”

The Bush doctrine has not only changed nuclear weaponry from a tool of deterrence to just another option for war-fighting. It has extended their threat to non-nuclear countries (in further violation of U.S. commitments)—including, by name, four Islamic ones. But neither Libya nor Syria have nuke programs. Despite their best efforts, Western intelligence agencies have been unable to uncover any credible evidence that Iraq has restarted its deliverable nuke program, effectively dismantled by U.N. inspectors during the '90s. And Iran’s nuclear program is stalled and years away from developing usable weapons. Moreover, the new doctrine for the first time proposes the use of nukes to defend against any attack on a roster of U.S. allies, including Israel—which has its own substantial nuclear arsenal of at least 300 deliverable warheads. Yet from the supine Democratic Party leadership, one has heard not a peep of protest against Bush’s new nuclear strategy.

**A**t the same time, in the six months since September 11, the Bush administration has moved to develop new bases in a wide swath of the world and put U.S. forces into action in a greater array of countries than at any time since World War II. Anyone who thinks these new bases will be eliminated once the “war on terrorism” is over is dreaming.



Bush has established military bases—which will have combat aircraft and at least 3,000 personnel—in the countries of oil-rich Central Asia, including the brutal authoritarian regimes in Uzbekistan, Kyrgyzstan and Tajikistan. In Georgia—where Edward Shevardnadze long ago abandoned his image as a “democratic reformer” to pursue an authoritarian course built on a cult of personality—Bush has given enough military aid to triple the country’s military budget, sending in 200 military advisers and dozens of Huey helicopters (which will be used not simply against supposed al-Qaeda forces, but against recalcitrant Chechen and Abkhazian minorities). These bases will only stimulate paranoia in the powerful military establishments in Moscow and Beijing, spurring their demands for more resources and weapons—especially in light of the Nuclear Posture Review.

In the Philippines—where, on the island of Basilan, a Manila-directed army of more than 7,000 soldiers has been unable to eliminate less than 100 *illuminés* of the Abu Sayyaf guerrillas because the local population supports them—Bush has sent in 660 U.S. troops, 30,000 machine guns and \$100 million in military aid, which works out to more than a million bucks for each rebel.

The United States has also sent 100 military advisers to Yemen to help in combat against local tribes, and special forces are going into Sudan to prepare an attack in Somalia. Add to this our existing bases in Turkey, Saudi Arabia and Kuwait—as well as our new bases and troop concentrations in Afghanistan and Pakistan and huge naval patrols in the Red Sea and the Arab Gulf—and it’s no wonder that the world views Washington’s new forward strategy as part of an imperial design at the service of U.S.-dominated globalization.

Given all of the above, Bush’s declaration—“god bless our coalition”—with the flags of 179 nations as his photo-op background when the White House marked the six-month anniversary of the September 11 attacks, masks the degree to which his “simplistic, unilateralist” policies (as French foreign minister Hubert Vedrine put it) have spooked the “war on terrorism” alliance. That, of course, includes his widely reviled “axis of evil” speech.

Consider Bush’s attempt to rally support for a new war on Iraq. In Europe, only the fascist-allied Silvio Berlusconi of Italy and arch-conservative Jose Maria Aznar of Spain unequivocally support it. Tony Blair faces a rare Labor Party revolt against his solidarity with Bush on Iraq—even within his own cabinet. And as Dick Cheney emerged from his bunker for a tour of a dozen nations, including the Middle East, to prepare them for new attacks on Iraq, Jonathan Freedland in the *Guardian* summed up the position neatly:

There is none of the Arab support that made the 1990-91 Gulf War viable. ... The Saudis, nominal joint commanders last time, are begging America to stay away now. Kuwait will not allow itself to be used as a base for U.S. troops. Turkey fears any attempt to stir the Kurds against Baghdad will only energize Turkish Kurds against Ankara. Nor are Shias in southern Iraq likely to join the American effort: They feel betrayed by Bush’s

father, who called on them to revolt, only to abandon them to their fate. Their backers in Iran are not exactly on side with the Bushies either, not since they were lumped into the axis of evil.

**F**inally, there’s Afghanistan. Declarations of “victory” over the Taliban and al-Qaeda were premature, as the offensive against their regrouped forces in Gardez and Shah-I-Kot in the east made clear. The Pentagon’s own numbers tell the story: When the ground campaign began in Afghanistan on October 7, it estimated opposition forces at 35,000 men; but now it admits it has yet to account for 20,000 of them. They’re not in Cuba nor in the caves. They’ve faded into hospitable Pashtun villages or exfiltrated through the mountains to Pakistan (not counting those buddies the Pakistani intelligence services flew out of harm’s way under the noses of U.S. forces).

The government of Hamid Karzai—hand-picked by the CIA as the interim head of state—is virtually powerless outside Kabul (and his control is shaky there—witness the recent assassination of one of his ministers). And just as the Pentagon was declaring the campaign in Gardez nearly over, Karzai’s government warned that “large numbers” of Taliban and al-Qaeda fighters were regrouping across southern Afghanistan in the provinces of Wardak, Ghasni, Khost and Paktia. Karzai ordered 1,000 troops to these Pashtun areas—all Tajiks loyal to the Northern Alliance (as were the 1,000 soldiers Karzai previously sent to Gardez with U.S. military approval—provoking outrage among Pashtun commanders there).

The nefarious consequences of the war in Afghanistan predicted by those of us who opposed it have come true. Warlordism has returned in force, ethnic cleansing of Pashtuns has been reported in the north and east, opium cultivation has aggressively rebounded. Control of drug crops is one reason for internecine armed combat among the erstwhile, purchased U.S. “allies” at the regional level, as the country spins closer and closer to full-scale civil war.

## The consequences of the war in Afghanistan predicted by those of us who opposed it have come true.

America’s military campaign continues to kill Afghan civilians. French commanders in Afghanistan have refused to send their Mirage fighter planes on many U.S.-requested missions because they feared murky American targeting would cause even more civilian casualties—like the March 6 raid in which even the Pentagon admitted women and children were killed. Food aid is being sidetracked by local warlords and turned into a racket—only those villages that pay

get food. Malnutrition is stunting the growth and killing untold numbers of Afghan children. And remember Laura Bush’s pleas for support of the war to help Afghan women? Karzai’s women’s minister, Dr. Sima Samar, complains that not a single dollar of the aid for women’s programs (particularly education) promised by the United States and Britain has yet materialized.

One could go on, but even from these brief summaries it is clear that the militarization of the campaign against terrorism has brought with it new dangers and new slaughters of the innocent. The long war has only heightened global insecurity, not diminished it. And there’s worse to come. ■



# The Failure of Brand USA

## Why the Bush administration can't sell America abroad

By Naomi Klein

When the White House decided it was time to address the rising tides of anti-Americanism around the world, it didn't look to a career diplomat for help. Instead, in keeping with the Bush administration's philosophy that anything the public sector can do the private sector can do better, it hired one of Madison Avenue's top brand managers.

As undersecretary of state for public diplomacy and public affairs, Charlotte Beers' assignment was not to improve relations with other countries, but to overhaul the image of the United States abroad. Beers had no previous diplomatic experience, but she had held the top job at both the J. Walter Thompson and Ogilvy & Mather ad agencies, where she had built brands for everything from dog food to power drills. Now she was being asked to work her magic on the greatest branding challenge of all: selling the United States and its war on terrorism to an increasingly hostile world.

The appointment of an ad woman to this post understandably raised some criticism, but Secretary of State Colin Powell shrugged it off. "There is nothing wrong with getting somebody who knows how to sell something," he said. "We are selling a product. We need someone who can rebrand American foreign policy, rebrand diplomacy." Besides: "She got me to buy Uncle Ben's rice."

So why, only five months in, does the campaign for a new and improved Brand USA seem in disarray? Several of its public service announcements have been exposed for playing fast and loose with the facts. And when Beers went on a mission to Egypt in January to improve the image of the United States among Arab "opinion-makers," it didn't go well.

Muhammad Abdel Hadi, an editor at the newspaper *Al Ahram*, left his meeting with Beers frustrated that she seemed more interested in talking about vague American values than specific U.S. policies. "No matter how hard you try to make them understand," he said, "they don't."

The misunderstanding likely stemmed from the fact that Beers views America's tattered international image as little more than a communications problem. Somehow, despite all the global culture pouring out of New York, Los Angeles and Atlanta—despite the fact that you can watch CNN in Cairo and *Black Hawk Down* in Mogadishu—America still hasn't managed, in Beers' words, to "get out there and tell our story."

In fact, the problem is just the opposite: America's marketing of itself has been too effective. School children can recite its claims to democracy, liberty and equal opportunity as readily as

they can associate McDonald's with family fun and Nike with athletic prowess. And they expect the United States to live up to its claims. If they are angry, as millions clearly are, it's because they have seen those promises betrayed by U.S. policy.

Despite President Bush's insistence that America's enemies resent its liberties, most critics of the United States don't actually object to America's stated values. Instead, they point to U.S. unilateralism in the face of international laws, widening wealth disparities, crackdowns on immigrants and human rights violations—most recently of Afghan prisoners in Guantanamo Bay. The anger comes not only from the facts of each case, but from a clear perception of false advertising. In other words, America's problem is not with its brand—which could scarcely be stronger—but with its product.

There is another, more profound obstacle facing the relaunch of Brand USA, and it has to do with the nature of branding itself. Successful branding, Allen Rosenshine, chairman of BBDO Worldwide, recently wrote in *Advertising Age*, "requires a carefully crafted message delivered with consistency and discipline." Quite true. But the values Beers is charged with selling are democracy and diversity, values that are profoundly incompatible with this "consistency and discipline." Add to this the fact that many of America's staunchest critics already feel bullied into conformity by the U.S. government (bristling at phrases like "rogue state"), and America's branding campaign could well backfire.

In the corporate world, once a "brand identity" is settled upon by the head office, it is enforced with military precision throughout a company's operations. The brand identity may be tailored to accommodate local language and cultural preferences (like McDonald's serving pasta in Italy), but its core features—esthetic, message, logo—remain unchanged. This consistency is what brand managers like to call "the promise" of a brand: It's a pledge that wherever you go in the world, your experience at Wal-Mart, Holiday Inn or a Disney theme park will be comfortable and familiar.

Anything that threatens this homogeneity dilutes a company's overall strength. That's why the flip side of enthusiastically flogging a brand is aggressively prosecuting anyone who tries to mess with it. At its core, branding is about rigorously controlled one-way messages, sent out in their glossiest form, then hermetically sealed off from those who would turn that corporate monologue into a social dialogue. The most important tools in launching a strong brand may be research, creativity and design, but, after that, libel and copyright laws are a brand's best friends.



When brand managers transfer their skills from the corporate to the political world, they invariably bring along this fanaticism for homogeneity. For instance, when Wally Olins, co-founder of the Wolff Olins brand consultancy, was asked for his take on America's image problem, he complained that people don't have a single clear idea about what the country stands for—but rather dozens if not hundreds of ideas that “are mixed up in people's heads in a most extraordinary way. So you will often find people both admiring and abusing America, even in the same sentence.”

From a branding perspective, it would certainly be tiresome if we found ourselves simultaneously admiring and abusing our laundry detergent. But when it comes to our relationship with governments, particularly the government of the most powerful and richest nation in the world, surely some complexity is in order. Having conflicting views about the United States—admiring its creativity, for instance, but resenting its double standards—doesn't mean you are “mixed up,” to use Olins' phrase. It means you have been paying attention.

Besides, much of the anger directed at the United States stems from a belief—voiced as readily in Argentina as in France, in India as in Saudi Arabia—that the United States already

demands far too much “consistency and discipline” from other nations; that beneath its stated commitment to democracy and sovereignty, America is deeply intolerant of deviations from “the Washington consensus.” Whether these policies, so beneficial to foreign investors, are enforced by the International Monetary Fund or through international trade agreements, critics generally say the world is already far too influenced by America's brand of governance (not to mention America's brands).

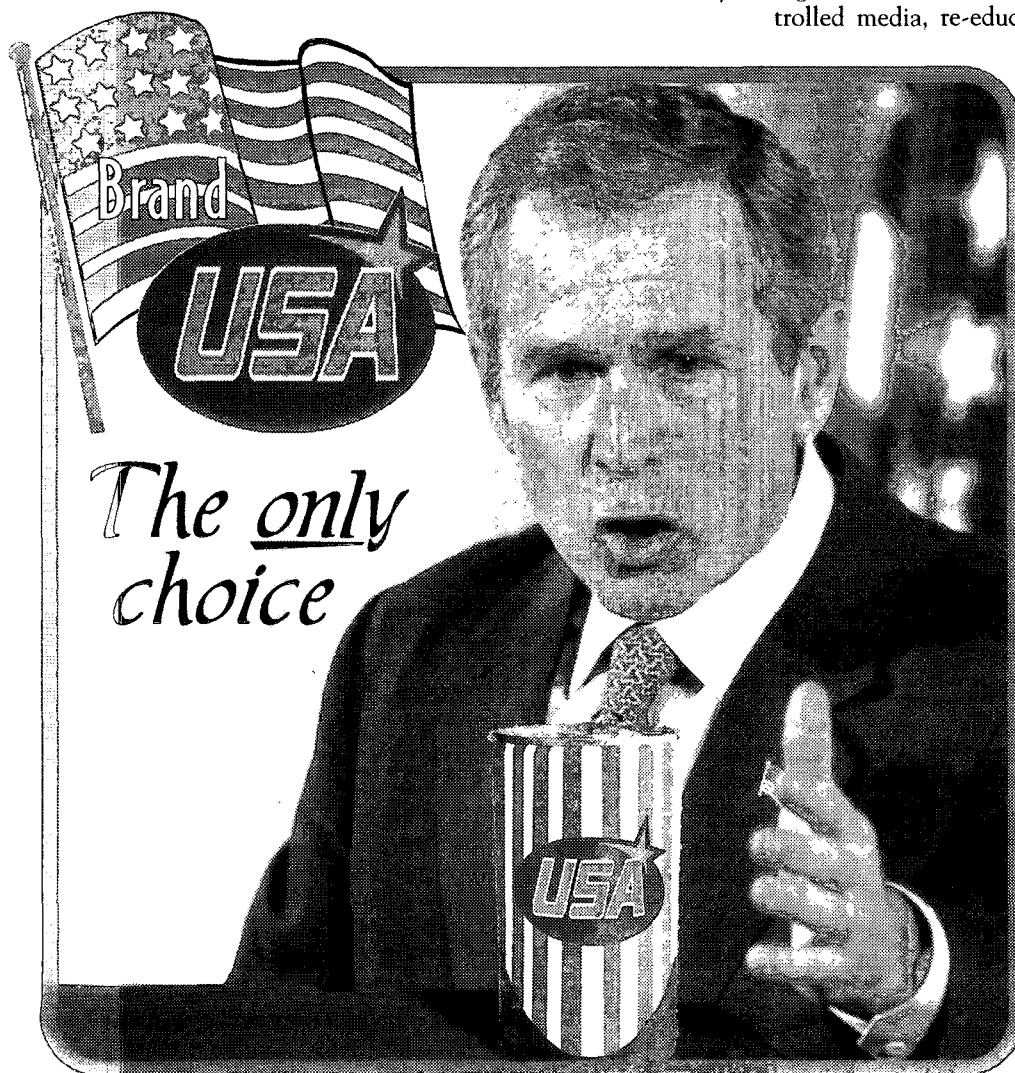
There is another reason to be wary of mixing the logic of branding with the practice of governance. When companies try to implement global image consistency, they look like generic franchises. But when governments do the same, they can look distinctly authoritarian. It's no coincidence that the political leaders most preoccupied with branding themselves and their parties were also allergic to democracy and diversity. Think Mao's giant murals and red books, and yes, think Hitler, a man utterly obsessed with purity of image: within his party, his country, his race.

Historically, this has been the ugly flip side of politicians striving for brand consistency: centralized information, state-controlled media, re-education camps, purging of dissidents and

much worse. Thankfully, democracy has other ideas. Unlike strong brands, which are predictable and disciplined, democracy is messy and fractious, if not outright rebellious. Beers and her colleagues may have convinced Colin Powell to buy Uncle Ben's by creating a comforting brand image, but the United States is not made up of identical grains of rice, assembly-line hamburgers or Gap khakis.

America's strongest “brand attribute” is its embrace of diversity, a value Beers ironically is now attempting to stamp with cookie-cutter uniformity around the world. The task is not only futile, but dangerous. Brand consistency and true human diversity are antithetical: One seeks sameness, the other celebrates difference, one fears all unscripted messages, the other embraces debate and dissent.

Making his pitch for Brand USA in Beijing recently, President Bush argued that “in a free society, diversity is not disorder. Debate is not strife.” The audience applauded politely. The message may have proved more persuasive if those values were better reflected in the Bush administration's communications with the outside world, both in its image and, more importantly, in its policies. Because as President Bush rightly points out, diversity and debate are the lifeblood of liberty. And they are the enemies of branding. ■



# Learning from Enron

By David Moberg

Conventional wisdom in the '90s said that if you put your money into stocks, you could get rich and retire early. But after the stock bubble burst and Enron collapsed, the road to early retirement started to look a lot riskier. Yet our political leaders give no indication they have learned anything.

Republicans seem determined to ignore or paper over any real-world difficulties, even continuing to push plans to privatize Social Security. But Democrats have failed to use Enron as the platform for broad reform. "One Democrat said that we'd learned the lesson of Enron: If you don't invest wisely, you'll be hurt," says Jeff Faux, president of the Economic Policy Institute. "But the lesson of Enron is that even if you invest wisely, you'll be hurt."

After all, Enron was touted as one of America's greatest, forward-thinking corporations. When it fell apart, low-level Enron employees with most of their savings in Enron stock were hurt the worst and are likely to recover very little. But millions of others lost retirement savings from Enron stocks in mutual funds or pension plans. Even before Enron, according to the Employee Benefits Research Institute, 1.5 million Americans over 60 lost \$10.5 billion in their tax-advantaged, employer-sponsored 401(k) retirement accounts during the stock market drop in 2000.

Both parties are promoting legislation to deal with specific issues raised by Enron, such as the restrictions that kept lower-level employees from selling their plummeting stock when the bosses had been quietly selling theirs at high prices and lying about its prospects. Democratic proposals go beyond what Bush offers, but even most of those are modest. With most voters unable to distinguish the technical details, the Democrats may find it hard to score points politically, since they are already seen—quite rightly—as tainted by Enron political contributions, even if the Bush administration is much more intimately linked to the company.

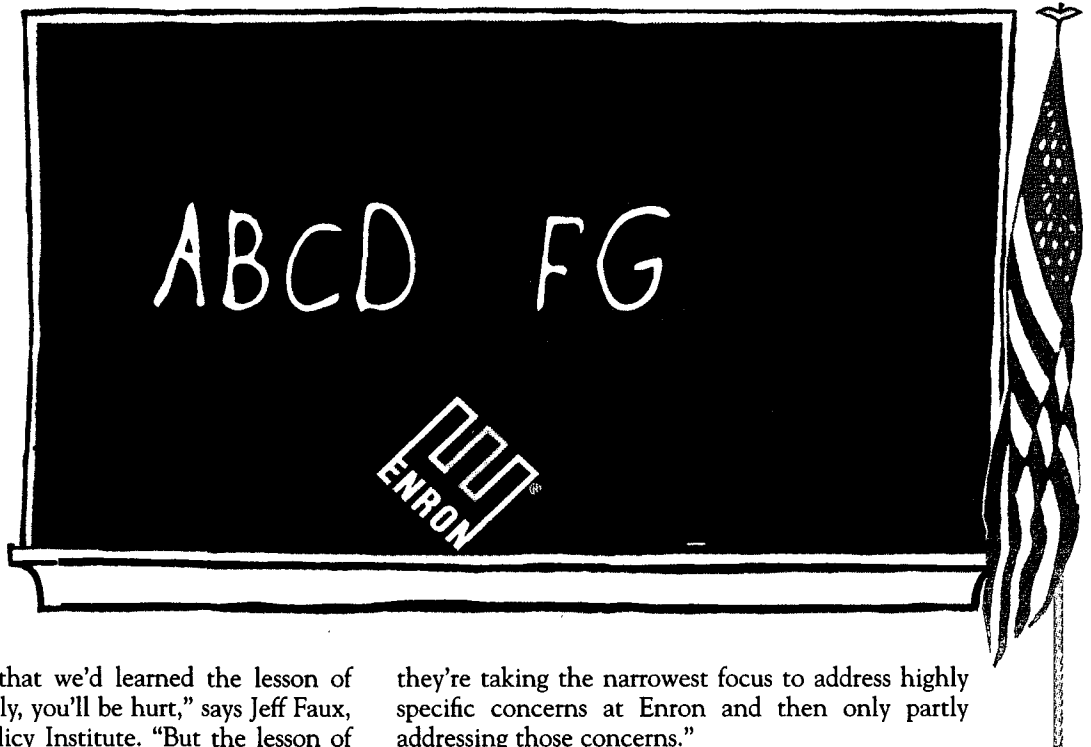
The specific Enron abuses are important. "But Enron and [employees holding] company stock is one tiny problem in the retirement universe," says Karen Ferguson, director of the Pension Rights Center. "Our hope had been this would be the impetus for Congress to take a hard look at the private retirement system and begin closing a whole range of gaps. Instead,

they're taking the narrowest focus to address highly specific concerns at Enron and then only partly addressing those concerns."

The fundamental problem is that most Americans don't have secure, adequate provisions for retirement. Social Security has been a great success, and, despite the fearmongering, the program is adequately funded through at least 2038 (and, with modest adjustments, can be made solvent through the rest of the century). Indeed, last year's tax cut for the rich will cost more than twice as much as the projected shortfall in Social Security over 75 years, according to the Center on Budget and Policy Priorities.

Republican privatization plans would only make matters worse. According to an analysis for the Century Foundation by several leading economists, privatization would lead to immediate and permanent cuts of about 40 percent in Social Security benefits, and a large net loss even after establishment of new individual private accounts. This is especially worrisome because Social Security is the largest source of income for people currently retired, accounting on average for 41 percent of their income in 2000 (and is the exclusive income for millions of retirees, survivors and the disabled).

Unlike in many European countries, where public pensions are intended to provide adequate income in their own right to everyone, Social Security has always been seen as a social insurance program to be supplemented by pensions and private savings. Yet in 2001, only 44.5 percent of workers participated in an employer-sponsored retirement plan of any type, roughly the same amount as two decades ago.





But the percentage of workers in traditional pension plans with defined, guaranteed benefits has dropped dramatically. At the same time, there has been a sharp growth in plans with a defined contribution to private investments, including company stock (which is sometimes partly matched by employers). In 1999, Americans had a little less than \$2.5 trillion in assets in individual retirement accounts and nearly the same in defined contribution plans, with \$2.2 trillion in traditional pension plans.

The federal government has mainly tried to encourage private savings with incentives for workers and employers that now cost \$90 billion a year in tax expenditures. Overwhelmingly, these tax subsidies benefit middle- or upper-income workers. Top executives often have both lavish defined benefit pensions and tax-advantaged stock options. But the General Accounting Office found that 85 percent of those who work but do not have any pension coverage have low incomes, work part time or for a small firm, or are young. Minorities have fewer retirement savings and draw less from Social Security. This is not because Social Security denies them opportunity, as the Bush Social Security Commission deceitfully suggested, but because they are paid poorly, can't save and, like poor whites, tend to die younger.

Yet post-Enron legislation under consideration in Congress would deal with few of the fundamental problems. Democratic Sens. Jon Corzine of New Jersey and Barbara Boxer of California initially proposed that no 401(k) plan could have more than 20 percent of any one company's stock. But even likely supporters such as unions, which already live with such limits in pension plans, didn't want to confront members who thought that they'd get rich from their own company's stock (and in many cases also had a secure, defined-benefit pension plan).

Now Massachusetts Sen. Ted Kennedy is proposing that employees may either buy their company's stock, or it may be

sions to protect victims of fraud or mismanagement in defined-contribution plans.

Yet every time Congress moves to improve protections for retirees, corporations threaten to drop their plans or their contributions. To remove that threat, enact serious reforms and simultaneously expand private pensions to all workers, Congress would have to make private pension plans universal and mandatory, as countries like Australia and Switzerland have done. In 1981, a Social Security Commission appointed by President Carter advocated a mandatory universal minimal pension system—MUMPS—but the idea went nowhere in the Reagan era.

Clinton and Gore proposed a voluntary add-on to Social Security that would have provided a graduated scale of tax credits (greatest for the lowest-income workers). While that would be an important departure from current tax breaks that favor more affluent savers, it would still not address the fundamental problem for low-wage workers: They are often paid so little that they barely make ends meet and have nothing to save.

Jane D'Arista, program director at the Financial Markets Center, an independent research and advocacy group, argues that Social Security should be supplemented with a plan that would mandate both employee and employer contributions to an investment plan that could be pooled, if businesses desired, to cover employers in a region or industry (much like the TIAA-CREF plan for higher-education employees). Tax subsidies would be designed to favor low-income workers, for whom such a plan would have the same effect as raising the minimum wage but instead redirect money toward retirement.

D'Arista also has long argued for changing the federal insurance on savings, which now covers only a small portion of individual savings and is often directed, as in the case of savings and loans, toward protecting the institution rather than the saver. She advocates a comprehensive insurance (paid for out of investment earnings) that

would protect individual savings in 401(k)s, IRAs, bank accounts and other vehicles up to some maximum

level, but not the institutions themselves. Vermont Rep. Bernie Sanders is exploring the possibility of introducing such a proposal.

Ultimately, fixing the retirement system requires an attack on many fronts to reduce the income inequality that has been growing for 30 years and especially to boost the earnings of workers at the bottom of the economic ladder. While protecting Social Security from the ravages of privatization and reforming the private retirement system, it is important to redress inequalities, not reinforce them as current tax subsidies do.

The campaigns to privatize Social Security and prevent regulation of private retirement plans are as full of false promises as Enron's accounts. Under the guise of promising greater wealth, these corporate crusades actually want to increase insecurity and discipline over workers as they extend the years of work. It is important to remember that the goal of retirement plans is to increase security and to make less work time and more leisure one of the rewards of economic growth. The debacle at Enron should have opened up that debate. Perhaps it still can. ■

## Will Washington Ever Get It?

offered as the employer match, but not both. Some analysts think this would reduce Enron-style overexposure, but Faux argues that Democrats should be standing up to popular illusions about "investment choice" and instead focus on the real goal of retirement plans: security.

Kennedy's proposed rules would require more disclosure by executives and make them liable for giving misleading information, as Enron CEO Ken Lay did. Workers would have the right to elect representatives to retirement plan boards and to vote company stock held in their accounts, as British workers already do successfully. Kennedy would also push for workers to get unbiased investment advice and have an advocacy office in the Labor Department. Initially he also proposed requiring that plans maintain sufficient insurance to protect workers (unlike Enron, where there is \$85 million in insurance for \$1.5 billion in employee losses), but the final legislation may only require a study of the feasibility of such insurance. While defined-benefit plans already are guaranteed by the Pension Benefit Guaranty Corporation, there are currently no provi-

# Turning the Tide

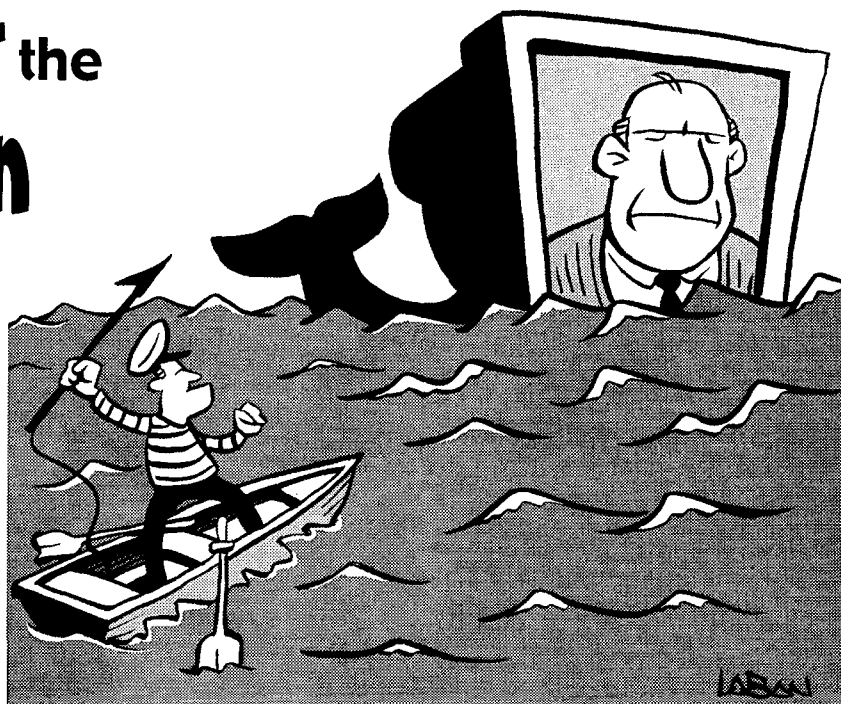
## It's time to **fight** the **Enronization** of the **media**

By John Nichols and  
Robert W. McChesney

**W**hat would happen if multinational media corporations were free to conglomerate and monopolize with even less regulation than Enron faced in the energy sector? Would they avoid getting too big because of the threat to democratic discourse? Or would they choose to maximize profits by crossing every boundary of communications technology to dominate what citizens see, hear and think?

Anyone who has witnessed the patterns of media conglomeration that followed deregulation of radio ownership after enactment of the 1996 Telecommunications Act already knows the answer to that question: The media companies will go for the market dominance that assures untold profits. With a go-ahead from a federal judge and preparations underway at the deregulation-happy Federal Communications Commission to remove the last threads of the regulatory safety net, some of the most powerful corporations in the world are planning to build the sort of monopolies imagined by the authors of dystopian novels.

The essential underpinnings of media reform are threatened as never before. Don't get us wrong: We are not suggesting that things are good now; and our concerns are not predicated upon some longing for a mythological "Golden Age" when media were good. American media have always been troublesome, and this country desperately needs policies that increase the size and power of the nonprofit and non-commercial media sector, as well as rules limiting hyper-commercialism. But if the media are permitted to consolidate in the manner now imminent, the prospects for any alternative media policies will decline precipitously. That's why this is everyone's fight.



**O**n February 19, the U.S. Court of Appeals for the District of Columbia nullified a pair of long-standing government regulations that had limited the size of media companies that use the public airwaves. One rule prevented the same company from owning TV stations and cable franchises in the same market. The other rule limited the number of TV stations a single company could own.

The court sent the TV station ownership rule to the FCC for review, which is great news for the media corporations. Even before the appeals court ruling, FCC Chairman Michael Powell was working to relax or eliminate these and other limits on media monopoly—including the last barriers to a single corporation gaining dominance of print, broadcast and cable communications in a single market. Powell says he is determined to enact his "reforms" as quickly as possible.

This deregulation, should it proceed, will result in an explosion of corporate deal-making that will make the past decade of unprecedented media conglomeration look like a Wednesday-night bingo game at the local old-folks home. For the first time, media giants that control TV station empires—Disney, News Corp., Viacom, General Electric—would be able to merge with or acquire media empires built on cable franchises, such as AOL Time Warner and AT&T-Comcast. As Blair Levin, a former FCC chief of staff, puts it, the ruling "allows for a powerful new entity we have never seen before—something that combines both cable and broadcasting assets."



To see where the courts and the FCC are leading us, consider what transpired following a similar deregulation of the radio sector in 1996. Radio is now dominated by a handful of large firms, like Clear Channel and Viacom, that have standardized content, zeroed out local voices and revved up commercialism. Imagine a similar scenario playing out in local television markets, toss in an expected move to allow media corporations to own stations in every market in the nation, and you have a recipe for what Gene Kimmelman of the Consumers Union calls an "earth-shattering" shift in media ownership patterns. He says, "The end result could be the most massive consolidation in media this nation has ever seen."

And the worst is yet to come. If the FCC eliminates the ban on corporations owning TV stations and newspapers in the same market, newspaper chains—Gannett, Knight-Ridder, the New York Times Co., Tribune Co. and others—will be hooking up with the aforementioned giants faster than you can say: "one source of news." The trade press is filled with stories projecting possible mega-deals. A Wall Street media industry analyst quips that the prospect of deregulation says to the media conglomerates: "Gentlemen, start your engines."

None of this is especially surprising. Historically, broadcast policy decisions like these are made behind closed doors, where powerful lobbyists pick their teeth with politicians' spines. Already a good 10 times larger than the largest media firms of the late '80s, today's media conglomerates see the federal court ruling in their favor as the clearest victory in their three-pronged grab for ownership deregulation—a push that is taking place in the courts, on Capitol Hill and at the FCC. Years of lavish campaign contributions, massive spending on lobbyists, and revolving-door jobs for federal bureaucrats to work on behalf of the conglomerates they once regulated have given media policymaking a stench familiar to those who have followed the Enron scandal. And after 20 years of rabidly pro-business appointments by Republican and Democratic presidents, the federal courts are so in the sway of the neoliberal fantasy that they can no longer be expected to step on the brakes.

But the story is not over. The tightening corporate noose around the neck of our media system is indefensible by any known theory of liberal democracy. As the public becomes aware of these monopolies and deregulations, the promise of widespread opposition across the political spectrum will be realized. That is why corporate lobbies work so hard to keep deliberations over deregulation behind closed doors. But the February appeals court ruling put the issue on the front-pages of newspapers, and even drew a *New York Times* editorial calling for a congressional intervention.

The one positive component of the court ruling was its rejection of a claim by big media that regulation of media monopolies is itself unconstitutional. This means that, even as Michael Powell seeks to destroy the last limits on media monopoly, Congress could reassert its authority over communications law. Some powerful members, such as Sen. Ernest Hollings (D-South Carolina) and Rep. John Conyers (D-Michigan) are interested in doing just that. And Rep. Bernie Sanders (I-Vermont) has already introduced legislation demanding that the FCC maintain current ownership guidelines and that Congress hold major hearings to generate democratic media ownership rules for the

digital era. "These media companies have been so greedy and so irresponsible that people across the country are saying: We've got to do something about them," Sanders says. "The good news is that Congress can do something. We have the authority to develop regulations to limit monopolies."

Sanders is the first to admit, however, that congressional action will come only with a push from the people. And there are signs that the people are beginning to push. A rally will take place outside FCC headquarters in Washington on March 22 to protest Powell's corrupt deregulation policies. Organized by Philadelphia-based Media Tank and the Prometheus Radio Project, and sponsored by scores of groups and individuals, the demonstration looks to be the clearest signal yet of an upsurge of political organizing around media policy issues. (For information, see [www.mediatank.org](http://www.mediatank.org).)

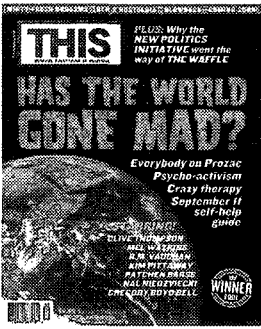
All progressive groups must recognize that, if our media system continues on its present course, their ideas and concerns will be "disappeared" from local media—as they already have been from national media. These groups must forge the backbone of a media reform organization that is capable of harnessing the anger at the Enronization of our media system. As mighty as corporate media have become in recent decades, the popular will for a diverse and democratic media can and must be mightier still. ■

John Nichols and Robert W. McChesney are the authors of *Our Media, Not Theirs: The Democratic Struggle Against Corporate Media*, forthcoming from Seven Stories Press.

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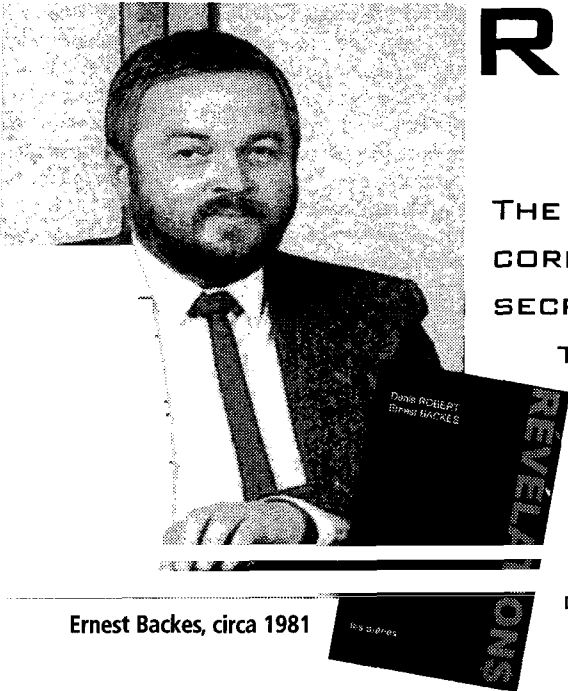
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# EXPLOSIVE REVELATION\$

BY LUCY KOMISAR



Ernest Backes, circa 1981

THE WORLD'S BIGGEST BANKS AND MULTINATIONAL CORPORATIONS HAVE SET UP A SHADOWY SYSTEM TO SECRETLY MOVE TRILLIONS OF DOLLARS—A SYSTEM THAT CAN BE EXPLOITED BY TAX EVADERS, DRUG RUNNERS AND EVEN TERRORISTS.

ERNEST BACKES EXPOSED THIS DUBIOUS SYSTEM AND HAS LAUNCHED A PERSONAL CRUSADE FOR INTERNATIONAL OVERSIGHT—EARNING HIM SOME HIGH-POWERED AND DANGEROUS ENEMIES.

In the tax haven of Luxembourg, a little-known outfit called Clearstream handles billions of dollars a year in stock and bond transfers for banks, investment companies and multinational corporations. But a former top official of this “clearinghouse” says Clearstream operates a secret bookkeeping system that allows its clients to hide the money that moves through their accounts.

In these days of global markets, individuals and companies may be buying stocks, bonds or derivatives from a seller who is halfway across the world. Clearinghouses like Clearstream keep track of the “paperwork” for the transactions. Banks with accounts in the clearinghouse use a debit and credit system and, at the end of the day, the accounts (minus “handling fees,” of course) are totaled up. The clearinghouse doesn’t actually send money anywhere, it just debits and credits its members’ accounts. It’s all very efficient. But the money involved is massive. Clearstream handles more than 80 million transactions a year, and claims to have securities on deposit valued at \$6.5 trillion.

It’s also an excellent mechanism for laundering drug money or hiding income from the tax collector. Banks are supposed to be subject to local government oversight. But many of Clearstream’s members have real or “virtual” subsidiaries in offshore tax havens, where records are secret and investigators can’t trace transactions. And Clearstream, which keeps the central records of financial trades, doesn’t get even the cursory regulation that applies to offshore banks. On top of that, it deliberately has put in place a system to hide many of its clients’ transactions from any authorities who might come looking.

According to former insiders:

- \$ Clearstream has a double system of accounting, with secret, non-published accounts that banks and big corporations use to make transfers they don’t want listed on the official books.
- \$ Though it is legally limited to dealing with financial institutions, Clearstream gives secret accounts to multinational corporations so they can move stocks and money free from outside scrutiny.
- \$ Clearstream carried an account for a notoriously criminal Russian bank for several years after the bank had officially “collapsed,” and clearinghouse accounts camouflaged the destinations of transfers to Colombian banks.
- \$ Clearstream operates a computer program that erases the traces of trades on request from its members.
- \$ Clearstream was used to try to hide a dubious arms deal between French authorities and the Taiwanese military.

Many of these charges were first made in a controversial book called *Révélation\$*, written by Denis Robert, a French journalist, and Ernest Backes, a former top official at the clearinghouse who helped design and install the computer system that facilitated the undisclosed accounts. The book’s impact was explosive. Six European judges called it “the black box” of illicit international financial flows. Top Clearstream officials were fired. The scandal made headlines in big European newspapers; TV networks broadcast specials; the French National Assembly’s financial crimes committee held a hearing. Luxembourg authorities ordered an investigation, and then they effected a cover-up. Yet *Révélation\$* remains unpublished and relatively unknown in the United States.



A bearded, heavyset man in his mid-fifties, Backes spoke with *In These Times* in Neuchâtel, Switzerland, where he'd gone to attend a conference on international crime, and explained how he'd started fighting "organized crime in banking."

Ernest Backes was born in 1946 in Trier, Germany. (As he likes to joke, "There were two important people born in Trier; the other is Karl Marx.") His father was a Luxembourg metal worker, his mother a German nurse. From 14, he worked on an assembly line to pay for school and joined the Young Catholic Workers. After a job in the Luxembourg civil service, he was hired in 1971 by Clearstream's predecessor Cedel (short for "central delivery" office), set up the year before by a consortium of 66 international banks. Backes helped design and install Cedel's computerized accounting system in the '70s.

Cedel and its main competitor, Brussels-based Euroclear, were started to manage transfers of "eurodollars," U.S. currency kept in banks outside the United States. According to Barbara Garson's book *Money Makes the World Go Around*, eurodollars were invented in the '50s by the Chinese and the Soviets so they would not have to put their assets in banks where the U.S. government could seize them. But others saw value in eurodollars, and they began to be traded for other currencies. Some banks attracted eurodollars with higher interest than was being paid in America, and U.S. corporations and individuals began using the accounts to avoid laws on domestic banks. The euromoney market was born. (By the '90s, the Federal Reserve estimated that about two-thirds of U.S. currency was held abroad as eurodollars.)

Cedel and Euroclear eventually expanded into handling transfers of stock titles and other financial instruments. Their clients needed a system that would guarantee the creditworthiness of their trading partners and keep records of the trades. The clearinghouses provided speed, discretion, and a system that didn't make the records of their deals and profits readily accessible to outsiders. Every few months, a list of members' codes was distributed. For transfers, members just entered the codes, and Clearstream handled the deals with no further inquiries.

In 1975, several big Italian and German banks wanted to centralize their accounting and didn't want other members of Cedel to send transfers through their numerous individual branches. The Cedel council of

administration—its board of directors—authorized banks with multiple subsidiaries not to put all their accounts on the lists. Backes and Gerard Soisson, then Cedel's general manager, set up a system of non-published accounts. A bank would send a transfer to the code of the headquarters bank, which would send it on to the non-published account of its subsidiary. The bank would regulate this operation internally.

Soisson authorized each non-published account, which would be known only by some insiders, including the auditors and members of the council of administration. As Cedel's literature to clients explained: "As a general rule, the principal account of each client is published: the existence of the account, as well as its name and number, are published. ... On demand, and at the discretion of Cedel Bank, the client can open a non-published account. The non-published accounts don't figure in any printed document and their name is not mentioned in any report."

Requests for non-published accounts came from some banks that weren't eligible, but Soisson turned them down.

By 1980, Backes had become Cedel's No. 3 official, in charge of relations with clients. But he was fired in May 1983. Backes says the reason given for his sacking was an argument with an English banker, a friend of the CEO. "I think I was fired because I knew too much about the Ambrosiano scandal," Backes says.

Banco Ambrosiano was once the second most important private bank in Italy, with the Vatican as a principal shareholder and loan recipient. The bank laundered drug- and arms-trafficking money for the Italian and American mafias and, in the '80s, channeled Vatican money to the Contras in Nicaragua and Solidarity in Poland. The corrupt managers also siphoned off funds via fictitious banks to personal shell company accounts in Switzerland, the Bahamas, Panama and other offshore havens. Banco Ambrosiano collapsed in 1982 with a deficit of more than \$1 billion. (Unknown to many moviegoers, Banco Ambrosiano inspired a subplot of *The Godfather Part III*.)

Several of those behind the swindle have met untimely ends. Bank chairman Roberto Calvi was found hanged under Blackfriars Bridge in London. Michele Sindona, convicted in 1980 on 65 counts of fraud in the United States, was extradited to Italy in 1984 and sentenced to life in prison; in 1986, he was found dead in his cell, poisoned by cyanide-laced coffee.

## October Surprises

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(Another suspect, Archbishop Paul Marcinkus, the head of the Vatican Bank, now lives in Sun City, Arizona with a Vatican passport; U.S. authorities have ignored a Milan arrest warrant for him.)

Just two months after Backes' dismissal in 1983, Soisson, 48 and healthy, was found dead in Corsica, where he'd gone on vacation. Top Cedel officials had the body returned immediately and buried, with no autopsy, announcing that he had died of a heart attack. His family now suspects he was murdered. "If Soisson was murdered, it was also related to what he knew about Ambrosiano," Backes says. "When Soisson died, the Ambrosiano affair wasn't yet known as a scandal. [After it was revealed] I realized that Soisson and I had been at the crossroads. We moved all those transactions known later in the scandal to Lima and other branches. Nobody even knew there was a Banco Ambrosiano branch in Lima and other South American countries."

**A**fter leaving Cedel, Backes got a job in the Luxembourg stock market, and later became manager of a butchers' cooperative. But he kept friends inside the clearinghouse and began to collect information and records about Cedel's operations.

With Soisson out of the way, there was nothing to stop the abuse of the system. Whereas Soisson had refused numerous requests to open non-published accounts (from such institutions as Chase Manhattan in New York, Chemical Bank of London and numerous subsidiaries of Citibank), Cedel opened hundreds of non-published accounts in total irregularity—especially after the arrival of CEO André Lussi in 1990. No longer were they just sub-accounts of officially listed accounts, Backes charges. Some were for banks that weren't subsidiaries or even official members of Cedel. At the start of 1995, Cedel had more than 2,200 published accounts. But in reality, according to documents obtained by Backes, Cedel that year managed more than 4,200 accounts, for more than 2,000 clients from 73 countries.

Clearstream was formed in 1999 out of the merger of Cedel and the compensation company of Deutsche Börse (the German stock exchange). "No accounts are secret," insists spokesman Graham Cope. "We are controlled by the local authorities ... who have access to information on all accounts. The term 'secret' is misused again and again. Our customers choose to have unpublished accounts, which simply means—like a telephone number—they choose not to display the name and number in our publications. Customers often have many unpublished accounts, which they use for their own internal management purposes to ensure there is no confusion between their accounts."

But Backes thinks otherwise. "I discovered an increasing number of unpublished accounts," he says. "There were more unpublished than published accounts, and a [large] proportion were not sub-accounts of a principal account, which is what the system was supposedly for. The owners of these accounts were not inscribed on the official list of the clients of the firm."

How does the system work? Backes explains, for example, that a bank with a published account could open an unpublished account for a branch in the Cayman Islands, an offshore tax haven. A drug trafficker easily could have the Cayman branch debit cash from his personal account to buy stocks on Wall Street. The transaction would be handled by Clearstream, which would transfer the money electronically to a New York bank that had its own clearinghouse account. Soon the shares could be sold to buy real estate in Chicago with "clean" money. But regulators or investigators, depending only on published accounts, would find it nearly impossible to trace the money. Backes says Clearstream employees joke that the company name means "the river that washes."

While clearinghouse clients may want to keep transactions secret, detailed information on every transfer, including those via non-published accounts, is listed on daily "security statements"—records to prove that the stock or cash has been sent. These statements are stored on microfiche and, under Luxembourg law, must be kept 10 years' for commercial enterprises and 15 years for banks. A Clearstream insider gave Backes 10 years worth of these records. "The documents are a mine of information for any financial inquiry," Backes says. "The archives of the clearinghouses can contribute to retracing where funds have gone. The knowledge of the list and the codes relative to non-published accounts, until now guarded secrets, offer immense possibilities."

Backes notes that similar records exist for the other big clearinghouses, Euroclear and Swift, also based in Brussels: "It is possible," he explains, "when one knows the date of an operation and the bank of entry, to reconstitute inside the clearing companies the voyage of the money and stocks or bonds—to follow the tracks."

*Révélation* charges that Cedel/Clearstream further violated its own statutes by setting up unpublished accounts for industrial and commercial companies. With accounts in their own names, companies could avoid passing through banks or exchange agents to use the clearinghouse. They thus skirted mandated due diligence and record-keeping. When Siemens was proposed for membership, Backes says, some Cedel employees protested that this violated Luxembourg law. However, management told them that Siemens' admission had been negotiated at the highest level.

Among the major companies with secret accounts, Backes discovered the Shell Petroleum Group and the Dutch agricultural multinational Unilever, one of whose accounts was associated with Goldman Sachs. On the French TV broadcast "*Les dissimulateurs*" ("The Deceivers") in March 2000, Clearstream President Lussi simply denied the accounts existed. "Only banks and brokers are eligible for membership," he said, "as it has always been the case. No private company accounts, no commercial or industrial companies."

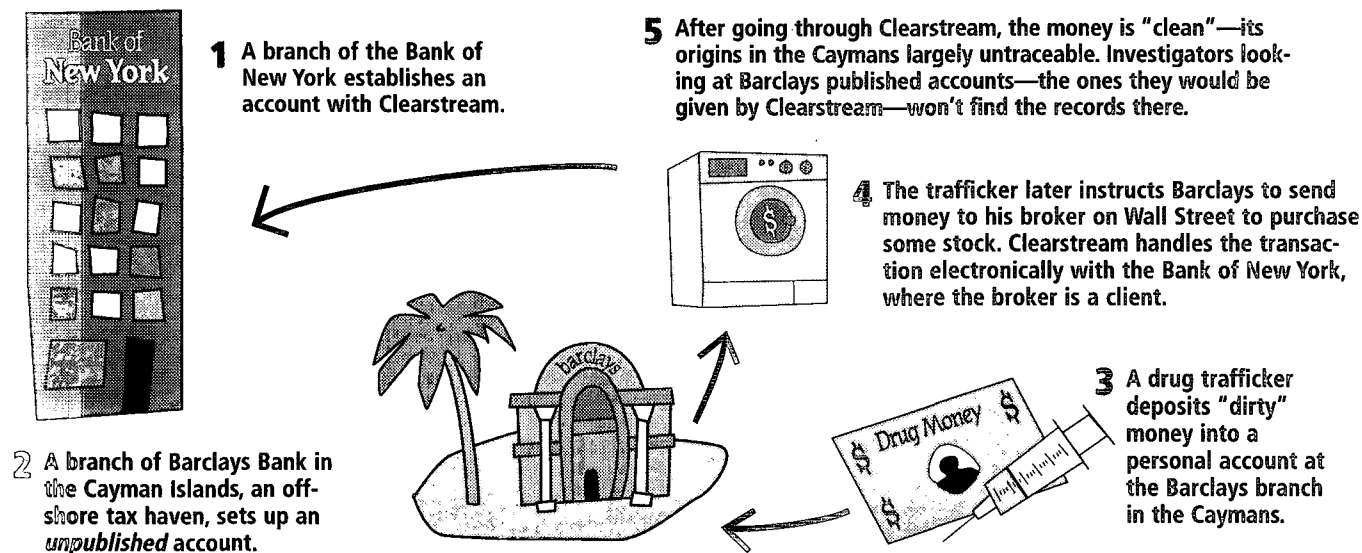
But his own spokesman contradicts this claim. "Customers of Clearstream can be banks or, exceptionally, corporate clients who have their own treasury departments the size of banks," Cope wrote in an e-mail to *In These Times*. "We cannot accept CEOs of multinationals or terrorists and have strict account-opening procedures to prevent such problems."

**B**y 2000, according to Backes, Clearstream managed about 15,000 accounts (of which half were non-published) for 2,500 clients in 105 countries; most of the investment companies, banks and their subsidiaries are from Western Europe and the United States. Most of the new non-published accounts were in offshore tax havens. The banks with the most non-published accounts are Banque Internationale de Luxembourg (309), Citibank (271) and Barclays (200).

Backes found numerous discrepancies in the lists he obtained of the secret accounts. For example, code No. 70287 on the published list belongs to Citibank NA-Colombia AC in Nassau, and code No. 70292 is that of the Banco Internacional de Colombia Nassau Ltd. But on the non-published list, the numbers both belong to Banco Internacional de Colombia in Bogota. There's no mention of Citibank. Based on the published list, members may think they are dealing with two banks in the Bahamas, one of which is a subsidiary of Citibank, but anything sent to these establishments goes directly to the country of cocaine cartels. On the April 2000 Clearstream list, there are 37 Colombian accounts, of which only three are published. (Richard Howe,



# CLEARSTREAM: THE SYSTEM THAT WASHES HOW DOES THE SYSTEM WORK?



spokesman for Citicorp in New York, declined repeated requests for comment. Cope declined to talk about any individual customers or accounts, citing Luxembourg banking secrecy laws.)

Clearstream's dealings with Russian banks are another area of concern. Menatep Bank, which had been bought in a rigged auction of Soviet assets and has been linked to numerous international scams, opened its Cedel account (No. 81738) on May 15, 1997, after Lussi visited the bank's president in Moscow and invited him to use the system. It was a non-published account that didn't correspond to any published account, a breach of Clearstream's rules. Menatep further violated the rules because many transfers were of cash, not for settlement of securities. "For the three months in 1997 for which I hold microfiches," Backes says, "only cash transfers were channeled through the Menatep account."

"There were a lot of transfers between Menatep and the Bank of New York," Backes adds. Natasha Gurfinkel Kagalovsky, a former Bank of New York official and the wife of a Menatep vice president, stands accused of helping launder at least \$7 billion from Russia. U.S. investigators have attempted to find out if some of the laundered money originated with Menatep, which they believed had looted Russian assets. (The Justice Department declined to comment on the investigation.)

Even though Menatep officially failed in 1998, it oddly remained on the non-published list of accounts for 2000. (Clearstream also lists 36 other Russian accounts, more non-published than published.) Kathleen Hawk, a U.S. spokeswoman for Clearstream, says that was "a mistake." But Cope contradicts her: "Closed accounts remain on our files and systems even though they're non-active because we don't reuse numbers. We keep the records for many years so there is no future confusion from reused numbers."

But Backes explains that there's no systematic rule about delisting canceled accounts. He found that "some that didn't exist any longer were on the list. Others were delisted when they didn't exist. And still other accounts were delisted, when we knew they existed, though the numbers no longer appeared."

Régis Hempel, a computer programmer who worked for

Clearstream, says some dormant accounts were activated for special transactions. "Such an account can be opened in the morning, used for a transaction, and closed to appear as delisted in the evening," Backes explains. "Only the guy who gave the order to open it in the morning knows about the transaction. An investigator or auditor would not look at such an account because it doesn't appear on the accounts list."

Hempel also claims that Clearstream erased the records of some transfers. In testimony before the French National Assembly's financial crimes committee last year, he explained that a computer system had been developed to wipe out the traces of transactions in non-published accounts. When a bank wanted to carry out such a transaction, Hempel testified, it simply contacted a Cedel staff person. "We made a 'hard coding' in the program and corrected the instruction that was going to come," he explained. "[An instruction could be] a purchase, a sale, a movement of funds or a security. We made it disappear, or we put it on another account. Then, when all was finished, we put back the old program and removed the exception. It was not seen or known."

He said such requests came every two or three days.

Hempel volunteered to help Luxembourg prosecutor Carlos Zeyen investigate Clearstream. But Hempel says local authorities seem more interested in blocking an investigation than in exercising oversight. Zeyen responded that the inquiry into Hempel's charges hadn't produced any evidence and dismissed claims that Hempel had been prevented from seeing relevant files as "rubbish." In a July 2001 public statement, Zeyen said the investigation would continue.

Luxembourg sources say Zeyen was looking into how Menatep used the system and also into improper ways André Lussi might have gained personally. In January, a French judge took depositions about Menatep corruption. According to Luxembourg journalist Marc Gerges, writing in the local newspaper *Land*, the FBI and the German BKA are also interested in what might be revealed about the role of Menatep in the diversion of IMF funds. Gerges says investigators are also looking to implicate Lussi in suspected financial

# Banking with bin Laden

Following the September 11

swindles conducted through holding companies and trusts in the offshore financial havens of Guernsey or Jersey. (Lussi could not be located; his attorney did not respond to phone and e-mail requests for comment.)

The publication of *Révélation\$* brought forward others with stories about how Cedel/Clearstream had facilitated corruption. Joël Bücher, former deputy general director of the Taiwan branch of the bank Société Générale, wrote Zeyen volunteering to testify that SG used the clearinghouse to hide bribes and to launder money. In his deposition for Zeyen—which is cited in Denis Robert's new book on the Clearstream saga, *The Black Box*—Bücher said he had worked for the bank for 20 years, but quit in 1995 out of disgust at its rampant money-laundering. He said much of that occurred though a Luxembourg affiliate working through non-published accounts at Cedel. "Cedel didn't ask any questions about the origin of funds that would have appeared suspect to any beginner," he told Robert. "[As a result] we directed our clientele with funds of doubtful origin to Luxembourg."

In the early '90s, Bücher contends, Cedel was used to launder \$350 million in illegal "commissions" on a contract for the sale by Thomson-CSF, a French government arms company, of six French frigates to Taiwan. He said that the money, handled by an SG subsidiary, was paid as a registered securities transfer to a "nominee"—a stand-in for the real beneficiary—and that Thomson (now known as Thales) didn't appear in the transaction except in the Cedel archives.

The kickbacks were exposed after the 1993 murder of a naval captain named Yin Ching-feng, who had written a critical report on the purchase and its inflated \$2.8 billion price. Bücher told Taipei authorities that a third of the kickbacks went to Taiwanese generals and politicians, while the rest was pocketed by French officials. Taiwan courts sentenced 13 military officers and 15 arms dealers to between eight months and life in prison for bribery and leaking military secrets.

In March, Bücher will testify before a French court examining French complicity. "SG is very much implicated," he told *In These Times*. "Taipei police searches found many records of transfers of commissions" relating to the frigates and also to the sale of French Mirage fighter planes. In New York, SG spokesman Jim Galvin denies that the bank had any involvement in the arms deal.

There has been no legal action by the Luxembourg prosecutor based on any of his investigations. However, Clearstream

Banking, Lussi and others have filed 10 lawsuits for libel in Luxembourg, France, Belgium and Switzerland against Backes, Robert and their publisher, Les Arenes. The first case, *Clearstream v. Backes* went to court in March in Luxembourg. Another case began its first hearings in Paris a few days later. With no sense of irony, the liquidator of Russia's notorious Menatep Bank is also suing the authors and publishers for damage to its reputation. (Mikhail Khodorkovsky, the Russian oligarch who controlled Menatep, did not respond to a request for comment.)

**B**ackes' knowledge and records make him a valuable investigative partner, and he cooperates with numerous authorities, though he prefers not to say in which countries. But his agenda is larger than that. Backes is lobbying for oversight by an international public body. Unlike banks, Clearstream has no effective outside surveillance. It is audited by KPMG, one of the "big five" international accounting firms, which either has been ignorant of or has overlooked the non-published accounts system. KPMG announced last year it found "no evidence" to support the allegations made in *Révélation\$*, though its report was not made public.

Local officials' attempts to defend financial secrecy are not surprising. Luxembourg's multi-billion-dollar financial sector brings in 35 percent of GNP and gives the inhabitants a per capita income of more than \$44,000, the highest in the world. (Next on the list are Liechtenstein, Switzerland and Bermuda, all money-laundering centers, with the United States fifth.) For years, local officials have refused to provide bank information to other countries.

But Luxembourg authorities have turned their sights on Backes. Using a March 2001 judicial order based on a complaint made by Lussi before he was fired, police raided Backes' house on September 19 in search of records. He says they seized unimportant documents and diskettes; he keeps the microfiches outside the country as "life insurance." "The raid was organized to impress [others] not to repeat what this dangerous guy Ernest Backes has done," he says. "Those who know me well know I am not at all impressed by such a raid." ■

*Lucy Komisar is a New York journalist who has spent the past five years investigating the international offshore bank and corporate secrecy system. To order a copy of *Révélation\$* (in French), visit [www.aren.es.fr](http://www.aren.es.fr).*

bank in Paris, which is controlled by  
haled bin Mahfouz. Mahfouz's younger  
ster is married to Osama bin Laden.



# The Cricket-Loving Marxist Dandy

By Matthew Price

From his cricketing days in Trinidad, to his sojourn in the hothouse world of the American far left of the '40s, to his forays into Caribbean politics in the '60s and after, C.L.R. James' life abounds in anecdote and incident.

**C.L.R. James: A Life**  
By Farrukh Dhondy  
Pantheon  
224 pages, \$24

Yet 13 years have passed since his death at 88, and still we have no thorough account of this most peculiar Marxist intellectual and pioneering pan-Africanist. There are a few, fine studies scattered here and there, but no sturdy life and times. Alas, James' posthumous fortunes have mostly been played out in the dreary precincts of the academy: He is the man who launched a thousand monographs, and it is a shame that so much academic boilerplate has been lavished on such an eclectic, rather quirky soul. When will C.L.R. James get the biography he deserves?

Farrukh Dhondy's modestly titled book does nothing to remedy this woeful situation. Then, Dhondy has much to be modest about: *C.L.R. James: A Life* is but a poorly cobbled together farrago of the author's personal reminiscence with his subject, some biographical material and ill-conceived fictional interludes, the sum of which does little to illuminate James for the reader.

The son of a school teacher, James was born in 1901 in Trinidad's capital, Port of Spain, but spent his youth in the nearby town of Tunapuna. His mother was a great reader, and instilled in her son a hunger for literature; he had obsessively read that quintessentially Victorian English novel, *Vanity Fair*, some 20 times by the age of 14. Growing up next to the town's cricket grounds, he also developed a passion for

that most English of sports. James considered the pastime an art and a way of life: In his classic account of the game, *Beyond a Boundary*, James writes, "Our house was superbly situated, exactly behind the wicket." (The wicket is roughly analogous to baseball's homeplate.) For all his life, James would look at the world with a wicket's eye view, seeing in the players the epitome of fairness, ethics and artful poise.

After winning a scholarship to Trinidad's most prestigious secondary school, he worked as a schoolteacher and tried his hand at the literary life, penning short sto-



ries, working on a novel, publishing articles and of course, playing and writing about cricket. He helped found an intellectual club called the Maverick Club, devoted to, as he put it, "the tenets of Matthew Arnold, spreading sweetness and light and the best that has been thought of and said in the world." If anything, James was more English than the English.

But James also began to grapple with the complexities of his island home and its sta-

tus as a colony. Trinidad was a polyglot, mongrel nation of Indian, African, Chinese and European ethnic groups, giving its culture unique dynamism. It was a truly cosmopolitan nation, which in part explains why James had such an expansive curiosity about history and culture. But literature was his calling, and he knew if he were to make a name for himself, he would have to conquer England first.

And that he did. Soon after leaving Trinidad for the seat of empire in 1932, James published *The Case for West Indian Self Government*. An interest in Marxism intensified as he turned to the Trotskyite brand of revolutionary thought. He talked on politics, became the *Manchester Guardian's* cricket correspondent and moved in the anti-Stalinist, left-wing circles of the British Independent Labor Party. The eager young intellectual cut a fine figure: In the oft-quoted words of Frederic Warburg, one of his

publishers, he was "immensely amiable, he loved the fleshpots of capitalism, fine cooking, fine clothes, fine furniture, and beautiful women, without a trace of the guilty remorse to be expected from a seasoned warrior of the class war."

At a time when thinkers on the left subordinated race questions to the issue of class, James was thinking about both in parallel. He hooked up with George Padmore's pan-Africanist group, the International African Service Bureau, and frequently wrote on African topics. After Mussolini invaded Ethiopia in 1935, James campaigned for the nation's liberation.

But his interest in race and revolutionary politics is perhaps best represented in what many consider to be his masterpiece,

*The Black Jacobins*, an account of Toussaint L'Ouverture's uprising in Haiti in the 1790s. (There was even a stage version in 1936, starring Paul Robeson.) Dhondy does make some instructive contrasts here between James' views and Marcus Garvey's "back to Africa" movement. Though James in large part scorned what he termed "race fanatic" bombast—"Who does all this remind us of," he wrote of Garvey's tactics, "who but Adolph Hitler?"—he nonethe-

less could appreciate Garvey's role in consciousness building, noting in an obituary notice, "a basis for the building of a real mass movement among the Negroes lies in a thorough study of this first great eruption of the Negro people."

James' formidable rhetorical skills soon caught the attention of James Cannon, head of the Socialist Workers Party in the United States. In 1938, he invited James to America to talk on political topics—the impending war, the Nazi-Soviet pact and Marxist doctrine. He would stay in the United States for some 15 years, living mostly in New York (where he got to know Dwight Macdonald, Richard Wright, Ralph Ellison, among others), arguing over fine points of doctrine, forming his own breakaway tendency, writing under numerous pseudonyms for all manner of obscure publications of the Trotskyite left.

In 1941, James helped organize black sharecroppers in Missouri; he thought out of all sectors of Americans, blacks were the most revolutionary in outlook. While becoming a leading thinker on race and socialist organizing, such political activity eventually came at a price. Falling afoul of U.S. immigration authorities, he was interned on Ellis Island (where he wrote a study on Melville) and finally deported.

Upon returning to England, James again took up cricket journalism and continued to write on the emerging colonial movement in Africa and the Caribbean, as well as Hegel and Marxist historiography. In 1958, his old friend Eric Williams—who would become Trinidad's first prime minister—invited him to edit the organ of his People's National Movement Party, *The Nation*. But James broke with Williams soon after Trinidad's independence in 1960—the two differed sharply on the role of party politics, and Williams resented James' intellectual might. His own ventures in electioneering were disastrous: in 1965, he formed his own party, which was trounced in a subsequent election. (Williams even had James put under house arrest at one point.)

But as the '60s and '70s wore on, James continued to follow the emergence of new African nations eagerly, and knew many of the leaders, among them Kwame Nkrumah of Ghana and Julius Nyerere of Tanzania. He often wrestled with their ideas, which tended to be at odds with his own. Indeed, his relationship with those

who tried to enact his policies could be decidedly ambiguous. He was hardly an unalloyed supporter of the anti-colonial struggle's often brutal methods.

The tensions between James' own brand of politics and those who claimed to emulate him (even calling themselves Jamesian) are at their most surreal in the bizarre New Jewel Movement of the late '70s in Grenada, which infamously broke down into bickering and murder. Dhondy writes of this sordid episode: "It is the fate of many a prophet: the word is twisted, the inspiration twisted back into its opposite."

The contradictions of colonial revolution lead one to the most interesting chapter in Dhondy's otherwise disappointing book: the relationship between James and Trinidad's other famous literary son, V.S. Naipaul. Despite their marked differences—James, the Marxist historian and champion of anti-colonial movements, versus Naipaul, whose sneering tone and Conradian disgust for the often tragically squalid politics of Third World liberation so often deform his novels—both praised each other's early work. Naipaul enthusiastically

received *Beyond a Boundary* in the pages of *Encounter*, while James considered *A House for Mr. Biswas* "the finest study ever produced in the West Indies (or anywhere that I know) of a minority and the Herculean obstacles in the way of achieving a room in the national building." There is a book to be written about their separate paths from Trinidad onto the stage of world letters.

What to make of James today? He often seems like the most genteel of revolutionaries, ill-fitted to the role of the fire-breathing polemicist, a part he played for so much of his life. Strange, then, to read him in praise of Black Power, a moniker he thought "destined to become one of the great political slogans of our time"; the theatrical posturing of H. Rap Brown and James' fastidious, genial manner are a world apart. He was a Victorian at heart—by his own description, a "puritan" with a bit of the dandy thrown in. But then, as he once said of his formation, "Thackeray, not Marx, bears the heaviest responsibility." ■

Matthew Price writes frequently on history and culture for *In These Times*.

## Twice Upon a Time

By Joshua Rothkopf

Tsai Ming-liang, the Taiwanese director of a decade's worth of urban hilarity—all of it bone-dry and gorgeous in structure, not to mention achingly sad—deserves better than praise.

**What Time Is It There?**  
Directed by Tsai Ming-liang

He deserves to be seen. I say blame the messenger: Tsai invites the most flattering of comparisons from grizzled posers of critics bent on running down the next severe master à la Antonioni and Ozu. Yes, Tsai is all that, but know too that he's funnier and far less intimidating. Urgently, he needs to be saved from his flat-footed penpals, and who better to do that than audiences?

*What Time Is It There?* is Tsai's fifth feature and perhaps the best place to begin a beautiful friendship. (No, it's not a sellout; if anything, Tsai has further refined his minimalist tendencies, trimming dialogue and motion to a purist's pinprick.) The

story concerns two young people, one in bustling Taipei, the other abroad in unfamiliar Paris. While never linked romantically (they only meet twice, and briefly at that), they wander through a shared haze of intercontinental longing, spun by Tsai like an ingenious clockwork of weird habits and desperate expressions. Think of it as the anti-*Amélie*, without that movie's hypercute aggression, and told with a far richer reserve.

Love equals loneliness in the Tsai universe, and I suspect this will strike a chord with even the pixie-haired sprites of the world. With each film, he presents a different obstacle to human attachment, often disguised as the very opening for those feelings in the first place. In *Vive L'Amour* it was a vacant apartment, host to rotating squatters, home to none. In *The Hole*, undoubtedly the sweetest musical about plague to date, Tsai links two strangers via a bizarre puncture in the floor. (Or the ceiling, depending on your perspective.)





Lee Kang-sheng redefines the long-distance relationship in *What Time Is It There?*

Lee makes a lackadaisical living selling watches as street vendor. Instantly, one feels protective for him when a slightly pushy young woman (Chen Shiang-chyi, another outstanding Tsai find) fixes on his own wristwatch with a covetous squint. Demurring, he tells her it's bad luck, that he's in mourning, but she's not having any of it. She needs his dual-time mechanism for a trip to Paris. Eventually, she gets her way, but not without dropping on him more than cash and her gratitude; he can't seem to let go of her memory. Buried under his bedsheets, Lee dials the phone operator in the middle of the night and asks the film's title question. A muted *amour fou* is born.

If Tsai were a lesser artist, he might rate some of the well-intentioned term papers coming from fustier reviewers: Existential Alienation, ahoy! But fortunately, he's too damn entertaining for that. Obsessions suit Tsai to a T (he has a thing for dripping water) and immediately, he devotes himself to establishing a living presence of all the ticking clocks in the vicinity. Lee starts by purposefully resetting every timepiece in his case to seven hours earlier, the full ashtay

**With each of his films, Tsai Ming-liang presents barriers to love that are disguised as the opposite.**

by his side speaking volumes to a strange mania. Soon, he secretly turns back the kitchen clock (his mother interprets this, touchingly, as the return of her husband's spirit, leading to some unorthodox dinner times), and even the huge hour-hand on a large building's facade becomes fair game.

Why does he do this? Passion, perhaps—or maybe it's just his way of mourning. In

either case, Tsai never comes out and says so, and the modesty feels right; such are the mysterious impulses people feel when they're hurting. Tsai's patience is oddly catching as he floods the frame with minute invaders given their proper due: a pigeon strolls leisurely across the widescreen, a white carp cruises in its fishtank. (The serene photography is by Benoît Delhomme.) Such pictorial sensibilities are rare these gabby days, leading many to praise Tsai as a rediscoverer of silent-era potency. But while he certainly merits this, it only speaks to half his skill as a storyteller who builds from implicit solitudes: On a rooftop, Lee uncorks a bottle of red wine, pours a glass and stares westward.

Over the horizon, there is a Paris tale being woven in, featuring the watch-buyer, her assertiveness long dissolved into a kindred isolation. Chen drifts through cafés and metro platforms, a stranger in self-imposed exile. Why did she ever come so far to be so blue? Again, Tsai leaves motives unspoken, instead courting the off-kilter charms of more abstract connections. Lee basks sullenly in the cathode glow of Truffaut's *The 400 Blows*, channeling the nighttime prowling of a young Jean-Pierre Léaud gulping from a stolen jug of milk; Chen, meanwhile, has an actual encounter with the grown-up star on a Parisian cemetery bench. (Léaud, looking supremely Gallic in his leather coat and insouciance, hits on her.) Finally, the sweetest kind of movie reference: one that makes sense without a cinema studies degree—an expression of unquenched thirsts, ready for the tapping.

Throughout, Tsai makes his rhymes work with an almost subliminal grace: from him to her, from clocks to hearts, from an ancient Paris graveyard to the modern passageways of locker-like columbaria, where Buddhist rites are performed over ashes. With understated rigor, *What Time Is It There?* eventually synchronizes its loners and themes to such a degree that the result is close to spiritual. Clocks are circular, as is the final image of Tsai's coda, a ferris wheel, and we're left with the hopeful intimation of release, maybe even rebirth. It's a perfect picture of nirvana, one that stays in the mind for days. To intellectualize it further would be a crime. Try this one—I promise it won't bite. ■

Now the fissure is timezones, in all their arbitrary fixity, but also the temporal divide between the living and the dead. *What Time Is It There?* springs off from a family about to be derailed by grief; in its first uninterrupted moments, we see the old man (Miao Tien), smoking in his tiny quarters, an uneaten plate of food before him. He gets up to move a potted plant. He sits down again. He broods.

In a cut, he's gone—now presumably the contents of the funeral urn being transported by taxi to a final resting place. What follows can safely be called a ghost story, but notice Tsai's marvelous economy in just that opening shot. For all his ordinariness, the father burns into our memory and stays there, as he does on the haunted brow of his son, played by Tsai regular Lee Kang-sheng. Lee, with his bee-stung lips and bruised gaze, is one of those rare gifts to directors jonesing for transparency. He's often been compared to James Dean, but he's more like an ideal union of Dean with Sal Mineo, his curious tag-along from *Rebel Without a Cause*: the swoon coupled with a gawky sense of ruffled oddity. You can't take your eyes off him.

# The Invisible Band

By Joshua Klein

**D**evised by "Tank Girl" animator Jamie Hewlett and his friend Damon Albarn of Blur, Gorillaz resurrected the cartoon band novelty of Josie and the Pussycats and the Banana Splits by bringing the concept into the hybrid genre-hopping present. The project roped in such disparate participants such as Cibo Matto's Miho Hatori, MC Del Tha Funkee Homosapien, former Talking Heads Chris Frantz and Tina Weymouth, DJ Kid Koala, producer Dan the Automator and even Buena Vista Social Club's Ibrahim Ferrer, but Gorillaz was no star vehicle. Rather, Hewlett's animated hellions would remain the public face of the group, and despite a few coy admissions of association, everyone involved kept mum.

Gorillaz began as a simple goof, an excuse for several semi-anonymous musicians to get together and have some fun. How were they to guess that their goof would become the sleeper hit of 2001? Despite its cutting-edge conflation of punk, dub and hip-hop, the self-titled Gorillaz debut has sold more than a million copies, and with great sales comes great responsibility. Bowing to fan and label pressure, Gorillaz planned to tour the United States and promised to do it in character.

**S**o how did a crew of adamantly animated musicians manage to play a sold out show at the Aragon in Chicago? In what may amount to the most audacious pairing of high and low art in ages, Gorillaz did just what it said it would do. While giant cartoons flickered overhead, the band itself hid behind a backlit screen, never emerging for so much as a wave or a hello. Instead, the obscured musicians—whoever they were—played second banana to Hewlett's glorified screensavers, replicating much of the Gorillaz album with cold efficiency.

Betraying their arty origins, Gorillaz subverted the rote expectations of live concerts by ignoring them all. The lack of interaction between band and audience left the crowd without a charismatic leader to latch onto; minus a suitable subject of adulation, eyes aimlessly wandered

from the stage to the ceiling to the floor. What sounded like Albarn, Hatori and Del were reduced to blurry silhouettes, robbing them of the iconic power performers usually wield. Even Hewlett's sur-

**How do a crew of cartoon musicians manage to play sold-out concerts? Who's the joke on?**

real cartoons rarely seemed to match up with the music, let alone the activities of the shadowy figures shuffling behind the screen below. It was confrontational Kabuki theatre in lieu of a conventional concert-going experience.

The crowd, a rare mix of adults, teens and even toddlers teetering on their parents' shoulders, didn't quite know what

Gorillaz would not deviate from its pre-announced plan, interest waned and confusion began to reign. Is that it? Is there really even a band playing? Does an invisible group deserve our attention?

People stared at their watches as the ambitious (or perhaps obnoxious) experiment proceeded. The band played its hit "Clint Eastwood" relatively early, filling up the rest of the time with songs such as "Tomorrow Comes Today," "5/4" and "19-2000," the dubby music enhanced by the muddy acoustics, and the turntable effects of what may have been Kid Koala lost in the clutter. Dan the Automator circulated around the venue, digital video camera in hand, documenting the strange setting. The postmodern implications of a home video capturing a bored crowd staring at a band that isn't really there sets the mind reeling.

**E**ven the band's encore bucked expectations. With only a single album to draw from, and having played its hits earlier in the evening, Gorillaz merely performed "Clint Eastwood" and "5/4" again, exactly as they had before. Those not already heading for the doors stood slack-jawed and scratching their heads. No wonder: Gorillaz had just slapped the grins off their faces, maliciously robbing the music of glee and transforming one of the season's hottest tickets into what amounted to a great rock 'n' roll swindle.

But was that really such a bad thing? Years later, after dozens of standard-issue concerts have faded from memory, the Gorillaz show will probably still stick out for its sheer disdain of conformity. The original punk rock revolution promised a radical new language even if it generally offered just souped-up rock 'n' roll. The alt-rock revolution did much the same. Has it really taken an ostensibly mainstream act—

and an animated one at that—to pull off one of the loudest "fuck you's" in pop music history? ■

*Joshua Klein is a freelance music journalist based in Chicago.*



Gorillaz in the Top 40's midst.

to make of the whole thing. At first most reacted as they would have at any other show, singing along, dancing and clapping after each song, even though the band refused to acknowledge their praise. But once it became clear that



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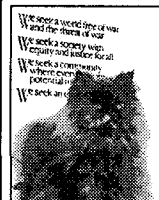
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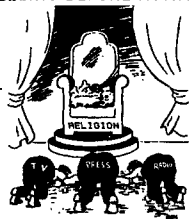
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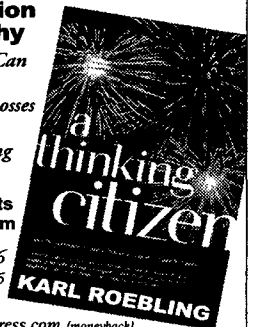
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CONTINUED FROM PAGE 30 Colombian exodus of some 6 million people. Most leave for economic necessity. Others have been forced to flee by the death squads.

I have friends in this exile community, in Europe, America, Canada, and I have rarely met a Colombian abroad who was not consumed with homesickness. Even when it is foolishly dangerous to do so, many return and try to pick up their lives again. "I'm tired of running, I'm not going to run anymore," a friend I had thought was safely in Spain told me when I met him recently at a Bogota peace rally. Laughing, he added: "I decided I might as well die of a bullet in Colombia as from a broken heart in exile."

I have also met some of the 16- and 18-year-old peasant soldiers who will now be thrown onto the frontlines by incompetent commanders, whose indifference for the lives of their troops seems unaffected by the recent billions in American military assistance. Last January, during the previous crisis in the peace process, journalists had plenty of time to talk to the young soldiers who manned the military roadblocks on the road into the peace zone, while awaiting orders to attack if the talks collapsed. I cannot forget the tension in those young faces on our way in, and the contrasting relief we found on the return trip, after the talks had been rescued by the mediation of the international community. Only the generals, and perhaps the president too, were upset by being cheated of their war. The soldiers joked and laughed with the press.

Some weeks ago, Guillermo Alfonso Saramillo, the governor of Tolima state, came to Bogota for a day. The night before, I had passed a young man sitting on the pavement, holding an infant in his lap. The sign beside him read: "We are displaced. We are hungry." He told me he was from Tolima, and I recognized the name of his village, because Tolima is where my grandfather was born. It is also where the FARC was born, 38 years ago. In the past eight months, almost 12,000 people have been forcibly displaced from Tolima, and the governor went to meet the most recent group who had fled to Bogota.

The meeting was in a community center in a poor part of the city. When Saramillo arrived there was a crowd of about a hundred people waiting for him in the street. There were many young women and small children, and several pregnant mothers. The women wanted to know what the state would do to protect them and help them return to their homes. The governor had to explain it was too dangerous for them to go home and he suggested they settle instead in some other village.

He said: "There's no money. The central government has no budget and won't help. The state is bankrupt, and there is 25 percent unemployment in Ibague [the regional capital]. But if you want to come back, we can offer you schools and kindergartens with help from the teachers and non-governmental organizations. However, if you stay here, in this dehumanized city, there

is very little I can do for you. I can make appointments for you with government officials, but it's not going to help you much."

The women said: We are not beggars. We want to work. We want to live with dignity. They knew the people who were complicit in the killings and disappearances in their hometown, and they asked: What plans does the state have to deal with its own "dark forces"? A lawyer from a human rights group intervened to point out that there was 99 percent impunity in Tolima. He claimed 17 local investigators had been killed. "If you can get an arrest warrant issued," he said, "no one will serve it."

The governor responded: "My administration has denounced what is happening. I know the problem. Any of us who want to change things in this country are under threat from the same people who have driven you from your homes. And for the same



*Peasant soldiers thrown onto the frontlines by incompetent commanders.*

reasons." Still, he added, "I continue to believe nonviolence is possible. There are models: Martin Luther King, Nelson Mandela, Gandhi. The peace process has to succeed."

Colombia has its Kings, Mandelas and Gandhis. It always has. They lead very dangerous lives. Recently, Father Francisco de Roux asked the E.U. governments who are co-financing his development program in an extremely violent, paramilitary-controlled part of the country, to stick by their commitment if any of his team should lose their lives. Ten of Father de Roux's collaborators have been assassinated in the past four years.

"We, the men and women who work in this program, know our work is dangerous," he said. "We accept the risks because this is our contribution as Colombians to the effort to overcome the crisis of our people. We hope, therefore, that Europe understands, and that we can count on you to stay the course with us, through to the end." ■

Ana Carrigan is an independent journalist and essayist. She reports from Colombia for the Irish Times (where a version of this article first appeared) and is writing a memoir of her Colombian family.

# Dangerous Lives

Colombia

By Ana Carrigan

**Y**et again, for the 14th time since a Colombian president first ordered the army to bomb a small rebel enclave, in 1964, the Colombian government has gone to war with the guerrillas.

When the army started dropping laser-guided bombs, 500-pound "bunker busters" and anti-personnel fragmentation bombs in the former peace zone on February 21, I found myself remembering a chance meeting on the plane to Bogota with a young Colombian who was going home to see his family after an absence of six years. He was driven by the yearning to touch base with his roots, and he was nervous and excited, unsure of what he would find. Friends had told him that, in the city where he was headed, the situation was bad. I know the city, and his friends were right to warn him.

"My family are campesinos," he said. They lived on the side of a mountain, overlooking the purple ranges of the western Andes. "I need time in my father's house," he continued. "There's no electricity, no television. At night the neighbors come and we talk. I miss those long nights of conversation with my father. And I want to wake up in his house in the silence before the dawn; to step outside into the awesomeness of those mountains and listen to the birds and the animals while I wait for the sun to rise across the valley. I need to know that peace again."

In Switzerland, where he now lived, he was a truck driver and had married a young Swiss teacher. She was a Latino-phile who had traveled all over Latin America, but she'd refused to come to Colombia because she was afraid of being kidnapped. Still, she had agreed to meet him on New Year's Eve in the coastal resort city of Cartagena. But his heart was in the mountains. "I'll smell the smoke rising in the morning from the kitchen fire," he said, "and my mother will cook a Colombian country breakfast, with broth and scrambled eggs and onions and beans and hot sauce, and maize pancakes and yucca breads." Home-sickness, it is said, always begins with food.

*"I might as well die of a bullet in Colombia..."*



PIERO POMPOINGETTY

*as from a broken heart in exile."*

He wasn't afraid of being kidnapped. "Oh no," he said. "I've known the guerrillas since I was a child. They were always coming by, looking for money and food. Of course, now it's different. Now the campesinos are under pressure from the guerrillas and the paramilitaries. Where my family lives, the 'paras' only arrived last year. Now they demand money too. My father has a few coffee bushes, and he has been able to manage so far. But when the campesinos can't pay up any longer, they have to leave. They leave everything—the house, the land, the crops, the animals. They go off carrying just a little suitcase with a few clothes."

**N**ow that Colombia's leaders have discarded the peace process like an old suit of clothes, and plunged the country into the horrors of a senseless and unnecessary war, his story has returned to haunt me. First, because his uprooted life is one of the many individual tragedies of a

CONTINUED ON PAGE 29

Colombia's generals finally have the war they wanted, but their country's people pay the price.